

EUROPEAN NEWS

Greek Cypriots say UN plan is unworkable

BY ANDRIANA IERODIACONOU IN ATHENS

THE LATEST United Nations draft settlement plan for Cyprus is unworkable and would leave the door open for a future Turkish military intervention, Greek Cypriot officials said yesterday in their first direct comment on the document.

The officials criticised the new plan for giving the Turkish Cypriot community more power in the executive and the legislature and a better deal on territory than two previous UN plans submitted in January and April, 1985.

All three plans foresee a two-zone federal republic in Cyprus, with the 18 per cent Turkish Cypriot minority controlling one zone and the Greek Cypriot majority the other. The two communities have been segregated in a de facto partition of the island since 1974, when Turkey invaded Cyprus, following a coup organised by the Greek junta.

Specifically, the Greek Cypriots say they are unhappy with the present plan because it calls for a majority, including at least one Turkish Cypriot vote for all cabinet decisions. They say previous plans, by contrast, demanded a weighted

majority only for decisions on issues of special importance to the Turkish Cypriots.

Similarly, according to the Greek Cypriots, under the new plan all legislation, and not just bills of special interest to the minority, will have to go to both the upper and lower chambers of a proposed two-chamber Parliament. The plan foresees 50:50 Greek Cypriot to Turkish Cypriot representation in the upper house, and 70:30 in the lower.

The Greek Cypriots side-stepped comment on the draft plan in their formal response to the Secretary-General last Sunday. They called on him instead to organise either an international conference, or a new summit meeting between Mr Denktash and Mr Spyros Kyprianou, the Cypriot President, to resolve three basic issues: the withdrawal of Turkish occupation troops and settlers from Cyprus; effective international guarantees for a settlement and the freedom to travel, settle and own property on the island. The UN plan relegates these issues to working groups.

Mediterranean trade talks suspended

By Quentin Peel in Luxembourg

TALKS between the EEC and its Mediterranean trading partners to ensure their traditional exports to the Community will have to be suspended for two months, after EEC Foreign Ministers failed yesterday to agree on any new concessions.

A request by the European Commission for more flexibility in its negotiating mandate with countries such as Morocco, Tunisia, Algeria, Egypt, Israel and Cyprus was finally blocked yesterday by Spain, fighting to win safeguards for the Canary Islands.

The Spanish Government fears that Canary Island exports of fruit and vegetables, such as tomatoes, citrus fruit, and onions will get a worse deal from the EEC than those from non-member states as a result of the current negotiations.

The Twelve have promised that their traditional Mediterranean partners will be able to maintain their current export levels, despite the accession of Spain and Portugal.

Susan Ellicott chronicles the rise of 'le hamburger' Fast food takes a bite of the French market

FAST FOOD is big business in Paris, surprising as it may seem in the capital of haute cuisine.

The crowds at fast-food restaurants on the Champs-Élysées are outnumbering those at nearby bistros. Even the local bakers are starting to feel the pinch as fast-food croissants are churning out the familiar French breakfast roll, brioche and pain au chocolat.

The US-style outlets in Paris have multiplied nearly ten times since 1980 and now number close to 1,000 reflecting the increasing French appetite for "le hamburger" and "le milkshake."

Last week's fifth Fast Food Exhibition in Paris, organised by the National Fast Food and Catering Federation (SNARR) has mushroomed in size too. With 175 stands, it was the biggest to date.

It is not so much the big US chains which have cornered the French market, but home-grown businesses. Only McDonalds and Burger King among the US companies have made an impact of any significance on the French palate.

The others, despite North American names like Freetime, O'Kitchen, Manhattan Burger, Mister Goodfast and Love Burger are 100 per cent French.

Turnover of FFY 3.3bn (£811m) last year for the French fast food industry marks both a 44 per cent increase from 1984 and a dramatic turnaround in contemporary culinary tastes. In 1972, when McDonalds first made a foray into the French market, it franchised all its outlets to guard against Gallic shrugs of disapproval.

So why the fast food boom now? Mrs Catherine Magnin, of

the SNARR, thinks there are several reasons.

"More and more women are going out to work. As a result the long lunchbreak has gone out of fashion in favour of the quick, working lunch. Fast food is reliable in quality, cheap and

convenient. More importantly, the Americanisation of our young people means that everything American today has become chic—and that includes ketchup," she says.

Recent statistics show the average fast food fan to be under-25, female and an ex-client of the traditional family-run corner bistro.

"Of course there is still some resistance to the hamburger, but both bistro and burger-join can exist alongside another," says Mrs Magnin.

"They respond to different needs. We won't ever lose our traditional cuisine. In fact, we have improved the US hamburger—added fresh salad,

It is not so much the big US chains which have cornered the market, but home-grown businesses. Only McDonalds and Burger King have made an impact on French palates.

There are still a few gaps in the French market, though. The K&S group, already known for its shoe-repair and key-bar chains, aims to open 50 "Cookis" snack stands by the end of next year; offering American-style biscuits and cakes.

Success in this sector of the market is not easy however, and many companies have fallen by the way-side. "At first too many jumped onto the bandwagon," says Mrs Magnin.

At the Paris show last week-end French companies gave an impressive, not to say indigestible, display of the latest in fast-food equipment and food novelties. Among the latter was the "Chouet-Burger," ("Smashing Burger"), which is baked and eaten like a lollipop.

Mr Alain Madelin, the Minister for Industry and Tourism, and one of the most radical voices in the new right-wing Government, visited the show to urge the French industry to push ahead with gastronomic innovations and win new food markets.

And when it came to the serious business of lunch, he backed up his call by tucking into a sumptuous spread of burgers, chips and synthetic crab-sticks.

Anti-Soviet party leader jailed in Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

A POLISH court yesterday sentenced Mr Leszek Moczulski, the ill-fated leader of the KPN anti-Soviet group, to four years in prison, and four other members to terms of between two and two-and-a-half years.

Mr Jerzy Urban, the government spokesman, has meanwhile linked the possibility of an amnesty in the summer for Poland's political prisoners to a

cessation of opposition political activities. He also said that material support and encouragement from Western-funded Polish language radio stations would have to stop if an amnesty were to be a real possibility.

Mr Moczulski set up the anti-Soviet KPN in the autumn of 1979 and was arrested a year later to enjoy the dubious distinction of being one of Poland's handful of political prisoners during the Solidarity period.

The 56-year-old former journalist was yesterday found guilty of membership of a secret grouping which aimed at provoking public unrest. The KPN stressed the aim of an independent Poland and achieved a significant increase

Commission call for car test in all EEC states

The European Commission yesterday proposed that all member states should test all cars over three years old for roadworthiness. Reuter reports from Brussels. At present, France, Denmark, Ireland, Spain and Portugal do not require such annual testing.

Wine death toll

A 59-year-old woman, poisoned by wine laced with methyl alcohol, has died in a hospital in Piedmont, bringing to 23 the total of known victims of Italy's tainted wine scandal, AP reports from Milan.

Finland strike

Policemen responsible for checking passports of non-Scandinavian travellers joined Finland's civil servants strike yesterday for 16 hours in support of their union's pay demand. AP-DJ reports from Helsinki. The strike has widened to include 42,000 state employees throughout the country, affecting mostly rail and air traffic and stopping mail.

Netherlands trade surplus soars

BY LAURA BAUN IN AMSTERDAM

THE NETHERLANDS merchandise trade surplus rose to F1 2.3bn (£621m) in February from F1 1.5bn in the preceding month and surged to F1 4.1bn in the first two months of 1986 from F1 2.3bn in the same period a year earlier.

However, the value of both exports and imports fell in the January-February period compared with the first two months of 1985 as plunging prices for


natural gas and oil sharply eroded energy trade. Exports declined by 6 per cent to F1 36.7bn in the first two months as exported energy plunged 25 per cent. Imports sank by 11 per cent to F1 32.7bn in the same period.

The visible trade surplus for the whole of this year is expected to shrink slightly to F1 18bn from a record F1 18.3bn last year as oil and gas prices remain low and world trade

slows. Also, the Netherlands, one of Europe's gas exporters, expects to sell much less gas abroad this year—30.8bn cubic metres, down from 37.9bn cubic metres last year.

Foreign trade makes up an unusually high two-thirds of the Dutch economy and exports have largely driven the economic recovery since 1983. But domestic demand is finally expected to start rebounding this year.

Grindlays Bank p.l.c.
Interest Rates
 Grindlays Bank p.l.c. announces that its base rate for lending will change from 11% to 10½% with effect from 21st April 1986



Grindlays Bank p.l.c.
 A member of the ABN Group of Companies
 Head Office: Grindlays Bank plc, Minerva House, Montague Close, London SE1 9DH.

INTERNATIONAL FINANCIAL SERVICES & TECHNOLOGY 86

International exhibition, conference and seminars of services, products, equipment and technology for banks, building societies, insurance and financial institutions

IFSAT 86 comprises an exhibition, a Financial Times conference and a seminar series, all designed to help you take full advantage of the financial services revolution.

For information on exhibiting at this key event call Philip Mead on 021-705 6707 or John Lawton (City office) on 01-628 6225.

21-23 OCTOBER 1986
THE BARBICAN, LONDON, ENGLAND

Sponsored by The Banker. Supported by the Financial Times

Organised by Industrial and Trade Fair Limited, Radcliffe House, Blenheim Court, Southill, West Midlands B91 2BG Telephone: 021-705 6707 Telex: 337673



PHILIPS ADDS NEW DIMENSIONS TO INFORMATION MANAGEMENT

ARE YOUR COMMUNICATIONS EXPANDING AS FAST AS YOUR BUSINESS?

In any expanding organisation, one thing is absolutely vital: flexible, efficient and—above all—versatile communications. Does your internal business communications equipment accurately reflect your present and future needs?

Whether you are a small office with just a few people, or a vast, multinational concern, you ought to be looking into Philips. In the whole field of office automation—communications, computers, workstations and software—we have a unique and successful approach. We call it SOPHOMATION.

It is a 'systems' approach, offering total integration of existing systems and departments, and the flexibility to grow and change as your business needs change, tomorrow and for the foreseeable future.

Our SOPHO-PABX range, for switching voice, text, data and image, is already connecting over 5 million telephone lines worldwide. In several countries, we've even supplied the public telephone network itself.

Here's just one of our satisfied customers:

'Our Philips SOPHO-PABX is saving us money every day.'
Mr. Luciano Conte, General Manager, Visconti Palace Hotel, Rome.

'With 250 rooms, and an average of 400 guests each night, an efficient telephone system is absolutely vital', explains Mr. Conte. 'There are two main PABX functions which are essential in a hotel—and where Philips scores over the competition.

Firstly, the automatic logging of telephone calls from each room. When a guest checks out, the system instantly calculates the total amount owed—accurate to the last Lira!


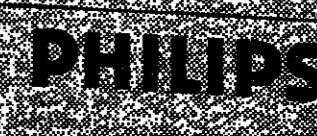
The other main benefit is the 'wake-up call' feature. 'Most mornings, several guests want a call at the same time. Instead of dialling them individually, the SOPHO-PABX does it automatically, however many calls are needed.'

Mr. Conte is convinced. 'Philips was definitely the right choice—for me, my staff and our guests.'

Look into Philips, and make sure your communications systems keep your whole business in the picture.

Send today for further information.

Philips Telecommunication and Data Systems, P.O. Box 32, 1200 JD Hilversum, The Netherlands.

EUROPEAN NEWS

Allegations against Waldheim 'not proved'

By Patrick Blum in Vienna
DR RUDOLF Kirchschlager, the Austrian President, said last night that evidence from documents of the United Nations War Crimes Commission and from the World Jewish Congress on Dr Kurt Waldheim, the former UN Secretary-General and the leading candidate in Austria's forthcoming presidential election, provided insufficient proof of the allegations raised against Dr Waldheim.

He added that in his position as ordinance officer in the German army in the Balkans, Dr Waldheim must have known of the conduct of the war in his area.

Dr Waldheim has been at the centre of an international controversy, following allegations that he had been a member of Nazi organisations and that he had been implicated in Nazi atrocities in the Balkans.

Dr Waldheim has strenuously denied the allegations and has claimed that he was not aware of the mass deportation of Greek Jews or of reprisals against partisans that took place at the time.

In a special address to the nation, broadcast on television last night, Dr Kirchschlager commented on the documents handed to him from the UN and the World Jewish Congress on Dr Waldheim.

He said: "On the basis of the evidence presented to me, I would not dare to raise charges before a regular court."

However, he raised doubt about Dr Waldheim's assurances that he did not know of the atrocities committed in the Balkans by units under the command of Gen Alexander Loehr, an Austrian general executed for war crimes in Yugoslavia.

"On the basis of his tasks, he must have been informed of the entire situation within the range of his competence, including the overall conduct of the war in the Balkans," he said. Dr Kirchschlager talked on Austrian radio to make up their own minds on who they wanted to be their next President. "What conclusions you draw for the presidential elections must be left to you alone," he said.

Paris admits 'harassment' of NZ goods

By Our Paris Correspondent
THE FRENCH Government conceded for the first time yesterday that imports of New Zealand goods were being held up for political reasons.

Up to now both the conservative administration of Mr Jacques Chirac and the previous Socialist administration have only "taken note" of New Zealand protests that France was curbing its imports because of New Zealand's refusal to release the two French foreign intelligence agents convicted for their part in the blowing up of the Greenpeace boat "Rainbow Warrior".

Yesterday, however, Mr Michel Noir, the External Trade Minister, conceded that New Zealand imports of wool, lamb skins and other products were being held up by "little acts of harassment." He added that this was "not entirely for commercial" reasons but he hoped that France's dispute with New Zealand could be resolved on a reasonable basis.

French requests for the release of the agents have been rebuffed by Mr David Lange, New Zealand's Prime Minister on the grounds that he does not have the authority to reduce a prison sentence imposed by the courts.

Mr Chirac, however, has made the freeing of the officers one of the priorities of his administration.

Moscow expands on chemical weapons inspection proposals

By William Dullforce in Geneva

THE SOVIET UNION said yesterday that it would accept systematic, on-site inspection of its plants under an international convention to eliminate chemical weapons from world arsenals. It rejected, as unrealistic, however, the "mandatory challenge" system of inspection which the US has insisted must be agreed.

The US proposal would allow a country with doubts about another's compliance with the ban to demand on-site inspection and have it carried out at short notice.

Mr Victor Issraelyan, Soviet representative to the 40-nation UN conference on disarmament, tabled new proposals on chemical weapons which had been foreshadowed by Mr Mikhail Gorbachev, the Soviet leader, in January. They are a response to US complaints that Moscow had confined itself to generalities on the vital issue of verifying compliance with a ban.

Mr Issraelyan said the Soviet Union would agree to "an order of visits" to ensure the presence of inspectors "at all important US complaints about the destruction or dismantling of chemical weapon plants.

Although the seven-point

The Soviet Union condemned yesterday's US nuclear test in the Nevada desert as an act which dashed a unique chance to set the disarmament process into motion. Reuter reports from Moscow. The blast had an explosive yield of up to 150,000 tons of TNT. However, Mr Edouard Shevardnadze, the Soviet Foreign Minister, said the Kremlin was in no hurry to resume its own testing programme.

Soviet programme fleshed out Moscow's previous proposals and included a time schedule under which a start would be made on destroying plants one year after the convention had come into force. It is unlikely to break the deadlock over US insistence on a verification procedure that would "constitute a credible deterrent to a potential violator." US plans to produce binary chemical weapons and to deploy them in western Europe were bitterly condemned by Mr Issraelyan. Binary weapons contain two chemicals, each harmless on its own but lethal when mixed.

Dublin steps in as gas grid plan falters

By Hugh Carnegie in Dublin

THE DIFFICULTIES facing Ireland in building a national natural gas grid fed by the Kinsale field in the Celtic Sea have been underlined by the Government's appointment of a receiver to the debt-ridden Dublin Gas company as a prelude to nationalisation.

The private company, a long-established but ailing town gas supplier, was revived in 1983 when the state took a 25 per cent stake and promised more than £125m (£114m) to back an ambitious programme to convert users in the capital to natural gas.

The failure of Dublin Gas followed a similar collapse of the Cork Gas company last

summer. So far, the two cities are the only ones linked to Kinsale gas which was established as a commercial field in 1972.

Plans to extend the grid to Northern Ireland were dropped by the British Government in 1984 and, with oil prices falling far beneath predicted levels, extension plans for Limerick, Waterford, Clonmel, Drogheda and Dundalk look less and less attractive.

The inflation and oil price equations on which the Dublin Gas scheme was based had so altered by last year that the company found itself unable to attract enough new customers to offset the heavy costs of upgrading and extending its network.

The banks, which had extended two thirds of secured loans of £60m arranged under the 1983 plan, halved new funds. Dublin Gas had debts to its supplier, the Irish Gas Board, and the state, of £15m. When it could not agree with the board on new price formulas in the light of falling oil prices it made formal claim of hardship to the Government. Earlier this month, Mr Dick Spring, Energy Minister, announced he was putting in a receiver to prepare the company for state takeover.

Last June, Mr Spring announced the takeover of Cork Gas which had run up losses over two years of £5m. Dublin Gas, with some

125,000 customers, has had considerable success in attracting business. Sales volume rose from 19.8m therms in 1983 to 61m in 1985, with industrial and commercial users accounting for two-thirds of last year's total. But as oil prices tumbled, Kinsale Gas, which accounts for about 20 per cent of Ireland's primary energy needs, had only a marginal price advantage and customer response was insufficient to meet the cost of extending the service.

The Government remains committed to developing the Dublin and Cork systems and extending the network to Limerick, Waterford and Clonmel, but admits the scope of services may have to

curtailed. The projects are also unlikely now to involve private companies.

In Limerick and Clonmel, joint ventures are planned between the state-owned gas board and the local corporations. Extensions up the east coast to Drogheda and Dundalk look less viable.

The gas board, a relatively small company in employment terms which buys gas from the producer Marathon and sells it on, made profits in 1984 of £250m on turnover of £180m. But its main customers apart from the gas companies—the electricity supply board and the national fertiliser company—have struggled, both showing losses over the past few years.

Opec majority pessimistic about recovery in oil price

By Richard Johns in Geneva

THERE is likely to be no speedy recovery of oil prices in the view of the majority within the Organisation of Petroleum Exporting Countries which is seeking to restore a measure of output discipline within a higher and rising ceiling.

At the end of Opec's longest conference, lasting 16 days in its two phases, no clear consensus emerged about what the right price should be. Officially, the target remains \$28 per barrel but there is no confidence of this being achieved soon. In the view of Dr Subroto

Indonesia's chief delegate: "Clearly \$10 is too low a price, \$28 is too high a price. So it must be in between. This means \$18-\$20, I think."

That would certainly not be the view of the triple alliance of Iran, Algeria and Libya dissenting on the record on new ceilings. Saudi Arabia, always in the last analysis Opec's ringmaster, has been inscrutable on the subject. It is believed to favour \$22-\$23. Mr Gholam Reza Aghazadeh, Iran's chief delegate, bitterly accused Saudi Arabia on

Monday of still "pursuing a price war" in collusion with the US, following the recent visit to Riyadh by Vice-President George Bush.

At the same time the 10 members adhering to the accord here announced on Monday night that they were setting a maximum limit of 16.3m barrels a day for the third quarter and 17.3m b/d for the fourth. They hope that a revised sharing agreement can be finalised at the next meeting, scheduled to start on June 25 on the Yugoslav island of

Brioni. Sheik Ali Khalifa al Sabah, Kuwait's Minister of Oil, said the assumption is that "by the end of this period, we are nearer to the figure collectively that we would like to produce."

In the meantime, Iraq's demand for a substantial increase in its allocation from 7.5 per cent to 14.3 per cent of the Opec total hangs heavily over the prospects for any effective action by the organisation. Its refusal to abide by the 1.2m b/d quota set for it under the October 1984 pact has prob-

ably been the disruptive factor behind Opec's failure to work out a formula well designed to reverse the slide in member's fortunes.

The majority were not too worried about the dissent of the triple alliance about overall production levels. While Algeria has not sought to exceed its crude quota, striving instead to maximise sales of condensates and natural gas, Iran and Libya have had difficulty fulfilling their allocations and will probably continue to do so in the coming months.

Honecker's Bonn visit recedes

By Leslie Collett in East Berlin

THE SOVIET UNION and East Germany yesterday sharply condemned West German support for US policies, thus virtually eliminating hopes that Mr Erich Honecker, the East German leader, would be permitted to make his first visit to West Germany in the near future. The attack on Bonn was contained in a statement issued yesterday by the East German news agency after a meeting on Monday between Mr Mikhail Gorbachev and Mr Honecker.

It said the situation in Europe could be considerably improved if West Germany chose the path of détente and good neighbourly relations. The policies of the present West German Government, however, "unfortunately go in the opposite direction." The statement cited Bonn's support for the US Strategic Defence Initiative programme, the transformation of West Germany into a "launching pad" for US missiles, as well as Bonn's alleged support for "dangerous" revanchist forces.

West German officials who, along with their East German counterparts, had been optimistic about Mr Honecker's chances of visiting West Germany said the tough statement appeared to rule out a visit.

The Soviet Union had previously put pressure on Mr Honecker to cancel a scheduled visit to West Germany in September 1984. Soviet officials said that such a visit was inappropriate so soon after Bonn had permitted new US medium-range missiles on its territory.

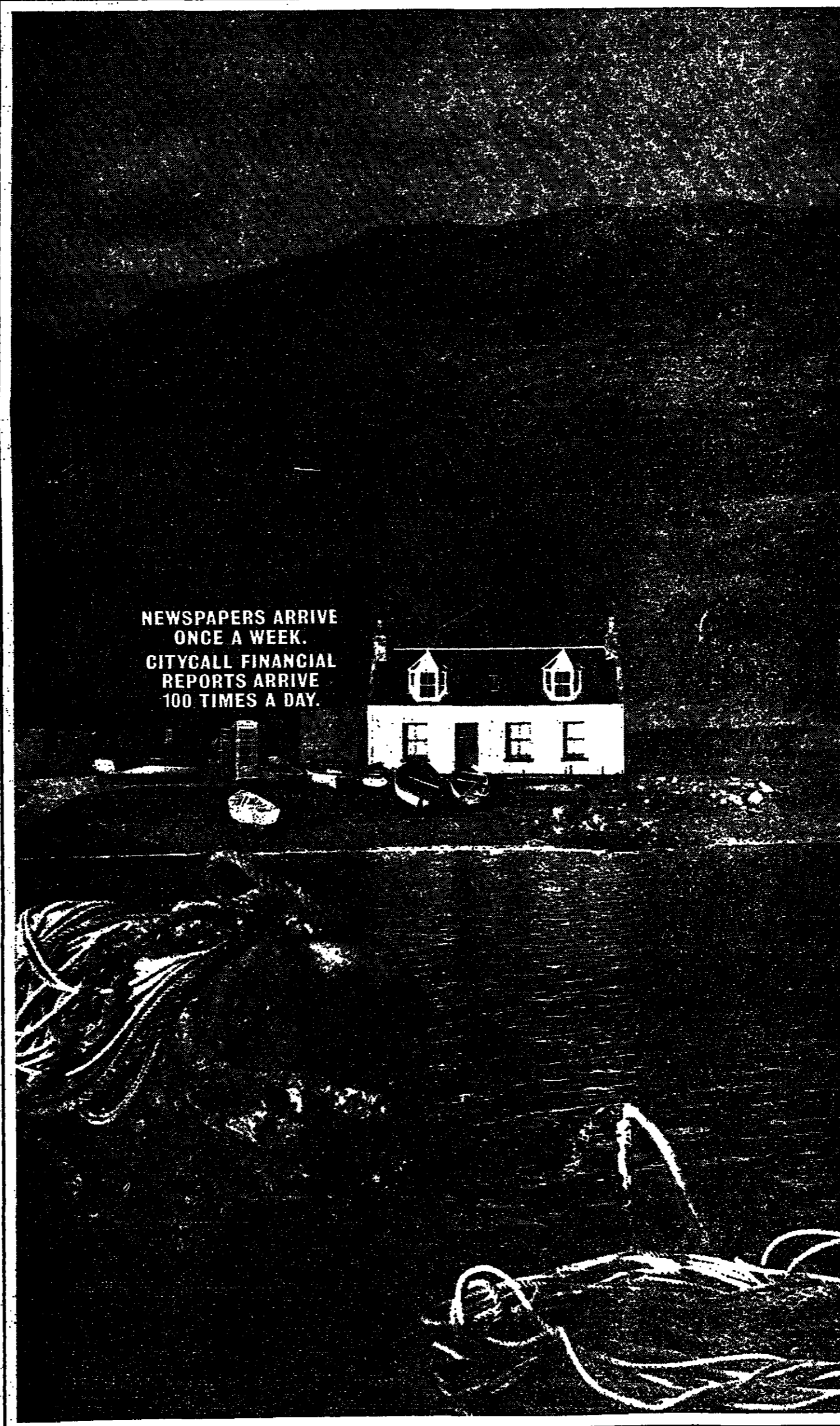
Until yesterday's joint statement there had been no clear public signal to Mr Honecker from Mr Gorbachev on the state of the long-delayed visit. The Soviet leader had spent six days in East Berlin where he attended the East German Communist Party congress.

Romania under attack over Serb minority

By Aleksandar Lebl in Belgrade

SERB politicians in Yugoslavia have joined in the international criticism of Romania for trying to "assimilate" its ethnic minorities and for pursuing "the creation of a unified Romanian nation."

According to a 1979 census, there were 34,000 Serbs and 7,600 Croats, mainly in south-west Romania. But the Yugoslav consulate general there could not now gather data on the Serb and Croat minorities, the Serb parliament was told. Romania has already attracted criticism for its policy towards much larger Hungarian and German minorities.



NEWSPAPERS ARRIVE ONCE A WEEK. CITYCALL FINANCIAL REPORTS ARRIVE 100 TIMES A DAY.

Wherever you live in the UK, you are now within seconds of the City.

BritishTelecom's Citycall service gives you access to 10 different reports simply by picking up the phone.

Each 2 minute bulletin starts from the beginning and is based on information received via computer from The Stock Exchange and the NatWest Foreign Exchange Dealing Room.

Regular up-dates give an average of one hundred reports throughout the business day.

If you want to keep abreast of the latest facts and figures, make a note of the ones below.

Table with 2 columns: Report Name and Time. Includes General Market Report, Company News, Active Shares, Foreign Exchange, Leading Shares A-K, Leading Shares L-Z, Traded Options, USA, New Issues Index, BBC News, and Citycall Directory.

*Bulletin contents and update frequency. Available from British Telecom at 'm' rates. Please refer to your call charge leaflet for details.

CITYCALL 0898 12 12 12

FINANCIAL TIMES Published by The Financial Times (Europe) Ltd, Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Berlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printers: Frankfurt/Sachsen-Druckerei-GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. GUISO licence No. 34, 800 Frankfurt am Main 1. © The Financial Times Ltd, 1986. FINANCIAL TIMES, USPS No. 190840, published daily except Sundays and holidays. U.S. subscription rates \$38.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

SMALLER THAN A WHISPER. Ultra mini microphone picks up even whispered conversations. Use it with any pocket recorder or one of our many specialist recorders. We specialise in solutions to your personal communications and security needs. Electronic optics from the film to the lab. Come in for 5 minutes now and be amazed forever. 62 South Audley St. Mayfair, London W1. Tel: 01 629 0223. COUNTER SPY SHOP

OVERSEAS NEWS

South Africa faces stern test on apartheid

By Anthony Robinson in Johannesburg
THE SOUTH AFRICAN Government today faces the greatest single test of its commitment to phase out what President P. W. Botha has called "the outdated concept of apartheid" when it publishes its White Paper on urbanisation and the details of plans to abolish the hated pass laws.

Last week in parliament President Botha announced that, from the moment of publication of the White Paper, blacks would no longer be restricted in their movement and residence by the terms of their pass books. Those who had pass offences would be released "forthwith."

From July 1 the passes will start to be replaced by a uniform identity document for all races. Until these are obtained however blacks will be obliged to carry their existing passes for identity purposes. On the face of it this will mark the end of over 60 years of influx control, steadily tightened since the National Party came to power in 1948, and the removal of one of the most vexatious, humiliating and hated aspects of apartheid legislation.

US 'lost five aircraft' in Libya raid

By Patrick Cockburn in Moscow

SOVIET intelligence shows that the US lost more than one F-111 bomber in Tripoli and Benghazi last week, the Soviet Union claimed yesterday. Mr Vladimir Lomeiko, the chief Soviet Foreign Ministry spokesman, said that Moscow knew through "national technical means" presumably satellite or other intelligence that the US had lost at least five and possibly six aircraft.

He said that the wreckage of two aircraft had been found on the ground and two others were shot down in addition to the one F-111 which the US aircraft admits losing. "The US Air Force suffered considerable losses—and this is concealed by the US authorities," Mr Lomeiko said.

Moscow is clearly anxious to show that the US does not have the means to attack with impunity Soviet allies armed with Soviet weapons. Mr Lomeiko said: "The US wants to demonstrate its omnipotence, its ability to strike anywhere in the world without suffering losses."

The Soviet Union is clearly still angry at the American suggestion that it was informed beforehand by the US representative in Berlin on March 27 that a Libyan backed attack on a US target was planned. Mr Lomeiko repeated yesterday that no specific date on the planned explosion in West Berlin was received during the meeting.

Iraq air chief tells foreigners to quit Iran

By Hamid Shaaban

Iraq's air force commander yesterday warned foreigners to leave Iran and foreign airline and shipping companies to keep away from Iraq's Gulf war enemy. Reuter reports from Baghdad. Air Marshal Hamid Shaaban told the ruling Baath Party's newspaper Al-Thawra: "I warn all foreigners working in industrial, economic and technical projects in Iran to stop their work and leave the country immediately, because they will bear responsibility for their continuation."

He told airline and shipping companies that, "if they continue (serving Iran) despite our warning, we will be forced to act according to our national interest."

Aquino bank move President Corason Aquino has ordered the rehabilitation of the state-owned Development Bank of the Philippines (DBP) to enable it to resume lending to small and medium sized enterprises. Reuter reports from Manila. Aquino gave the directive to Mr Jesus Estanislao, the banker economist, after swearing him into office as DBP chairman. The bank's operations were closed in 1982 because of lack of funds.

HK changes approved The committee drafting the basic law under which Hong Kong will revert to Chinese rule in 1997 approved a ten-chapter framework yesterday, covering civil rights, defence and other aspects of life in the trading centre. The document outlines the legal structure under which the British colony will become the "Hong Kong special administrative region" of China, under terms agreed by Peking and London in 1984. The law will be completed by early 1988, the committee said.

Japanese believe yen appreciation has gone too far

By Carla Rapoport in Tokyo

THERE WAS a growing sense of urgency in Tokyo yesterday that any continued appreciation of the yen should be prevented. As foreign exchange dealers reported that they were unloading dollars because they believed that the yen was an even stronger yen, both Mr Yasuhiro Nakasone, the Prime Minister, and Mr Noboru Takeshita, the Finance Minister, said that the recent appreciation has been too fast.

Both men indicated that concerted intervention would be mounted to stabilise the yen and that international co-operation would be sought to help prevent precipitous weakening of the dollar. Mr Nakasone told Parliament: "The main goal is to make exchange rates stable and to need the co-operation of other nations as well."

Speaking to a parliamentary committee, Mr Takeshita indicated that a rate of 190 to the dollar would be an adequate level. The Group of Ten's finance ministers and central bankers had recently agreed on the importance of stable rates. This accord, he said, was interpreted to mean a stabilisation at the level at that time, which was around 180.

Indonesia clamps down on Australian tourists BY OUR SOUTH EAST ASIA STAFF RELATIONS between Australia and Indonesia, already hurt by Jakarta's outraged reaction to critical articles published in a Sydney newspaper, have taken a further turn for the worse. About 180 Australian tourists were unexpectedly refused entry to the resort island of Bali yesterday following a sudden decision by the immigration authorities to reverse customary practice and insist on previously-issued visas.

Tony Walker detects a change in the Libyan leader's mood

By Tony Walker

Col Muammer GADDAFI may have had his uncertainty among Arab leaders temporarily bolstered by last week's US raid, but less clear is what impact the action is having on his position at home, particularly among colleagues in the leadership. Western officials in Tripoli say that, while the Libyan leader appears firmly in control after a period of uncertainty immediately following the raid, he may be under pressure from those around him to curb the maverick style which helped provoke the military strike.

His television speech last Wednesday was both notable for its caution about possible Libyan reprisals and conciliatory towards Europe. Col Gaddafi's manner in his few public appearances since the raid has been subdued. He has been attributed to two factors: that he was deeply shocked by the US attempt to eliminate him, and that, as a result, he has decided to avoid for the time being flagrantly provocative statements and actions towards the US.

He must be wondering, said one official, "when the other shoe will drop." Western officials speculate that the Soviet Union, Libya's chief arms supplier, may be urging Col Gaddafi to exercise more restraint. Moscow has, over the years, made little attempt to hide its discomfort with the Libyan leader's idiosyncratic style and the potential this has to cause embarrassment to his few friends and allies.

Americans leave Beirut OFTEN VANS and jeeps crammed with Druze militiamen and armed with guns escorted 10 Americans out of Moslem West Beirut yesterday in the latest evacuation of foreigners since the murder of three Western hostages last week, writes Nory Boustany in Beirut. Thirty-two Britons were pulled out last Sunday in similar fashion. The evacuation, approved by UN Security Council members, was a mix of teachers, university professors, a writer and a businessman, departed tearfully as their bus sped away along a palm-lined seaford towards the relative safety of Christian east Beirut.

Indonesian clamps down on Australian tourists

BY OUR SOUTH EAST ASIA STAFF

Relations between Australia and Indonesia, already hurt by Jakarta's outraged reaction to critical articles published in a Sydney newspaper, have taken a further turn for the worse. About 180 Australian tourists were unexpectedly refused entry to the resort island of Bali yesterday following a sudden decision by the immigration authorities to reverse customary practice and insist on previously-issued visas.

Earlier in the day a number of Australians were turned back at Jakarta airport after a fight from Singapore. Meanwhile, the bulk of an co-operation arrangement worth some \$40m (\$4.8m) a year appears to have been agreed. Talks between representatives of the two governments on the matter took place yesterday, and a statement is expected today.

Indonesia has already protested to the Canberra Government over the offending newspaper articles and stopped the visit to Australia of a high-level Government minister. Last week protesters demonstrated outside the Australian embassy in Jakarta, and there are fears for the future of delicate marine boundary negotiations.

The articles, published by the Sydney Morning Herald 18 days ago, contained allegations about the financial deals of President Suharto's family and business associates. Indonesian officials have denied the reports and vehemently criticised the Herald and the Australian Press in general.

De Larosiere warns banks of need to support Baker plan

By Stewart Fleming in Washington

A WARNING that commercial banks cannot simply wait until the economic performance of debt-ridden developing countries has improved before lending them new money was issued yesterday by Jacques de Larosiere, managing director of the International Monetary Fund. He pointed out that commercial bank lending to the 15 middle-income developing countries covered by US Treasury Secretary James Baker's initiative for boosting growth fell by \$4bn in 1985. He went on to highlight "two fundamental facts of life about the debt problem."

The first, he said, is that a lack of financial support can undermine the economic reform plans of even the most committed developing countries. "Improved economic performance in debtor countries should therefore be seen as partially dependent on new lending not exclusively a precondition for it."

US inflation index drops as petrol prices plunge

By Our Washington Staff

A RECORD plunge in petrol prices in March helped produce a second consecutive monthly decline in the US inflation index and the first quarterly drop since 1954. The good news on inflation from the Commerce Department was partially offset by further evidence that the performance of US manufacturing industry may still be weakening.

The Commerce Department yesterday said new orders for durable goods at US factories slumped by 2.5 per cent in March following a 0.6 per cent decline between January and February. Only a 41 per cent surge in defence orders prevented a much steeper fall. Excluding the defence sector new orders were down 5.7 per cent, with the metals industry

US to warn Moscow on Salt 2 violations

By Reginald Dale, US Editor, in Washington

THE US is expected to issue a new warning to Moscow that, while it will for the time being continue to comply with the 1979 Strategic Arms Limitation Treaty (Salt 2), it will not necessarily do so in future if Soviet violations continue. The position, approved by President Ronald Reagan in the past few days, is expected to be made public once consultations with the US European and Asian allies are completed.

Mr Reagan will stay within the treaty limits in the immediate future by ordering two B-52 bombers to be dismantled when a new Trident submarine, the Nevada, starts sea trials next month. US officials said that the B-52 missiles were dismantled because the Nevada's 24 missiles would put the US 22 missiles above the treaty's 1,200 limit on multiple warhead missiles.

US inflation index drops as petrol prices plunge A RECORD plunge in petrol prices in March helped produce a second consecutive monthly decline in the US inflation index and the first quarterly drop since 1954. The good news on inflation from the Commerce Department was partially offset by further evidence that the performance of US manufacturing industry may still be weakening.

US inflation index drops as petrol prices plunge A RECORD plunge in petrol prices in March helped produce a second consecutive monthly decline in the US inflation index and the first quarterly drop since 1954. The good news on inflation from the Commerce Department was partially offset by further evidence that the performance of US manufacturing industry may still be weakening.

David Gardner assesses the chances of a long-awaited newcomer to Mexico's cabinet

Identikit candidate joins presidential race

MR ALFREDO Del Mazo, Mexico's new Energy Minister, is "the most ambitious man I have ever met," according to a European banker who had close dealings with him before his appointment to the post. Mr Mazo is an identikit candidate, confident and charming, and comes from a long-established family prominent both before and after the 1910-20 revolution. His father was a minister in the 1958-64 administration. He is one of the few orators in the ruling Institutional Revolutionary Party (PRI) who can impart a sense of vigor and "renewal" to the recycled verbiage which is the habitual discourse of the party, 57 years in power.

Crucially, he is one of Mr De La Madrid's closest friends, and in fact is his compadre, by virtue of the President being Godfather to one of Mr Del Mazo's children. Mr Del Mazo's initial background was as a private banker, before all banks were nationalised in 1982. He headed the international division of Comermex, at the top of the second flight of Mexican banking, before taking on Banca Cremi, the banking arm of the business empire of Mr Alberto Balleres, the brewing concern. He modernised and expanded Cremi, but according to a former associate, "left before any judgment could be passed on his stewardship. What he did was make it grow, particularly by forging international relationships with the Roths-

US will not charge Arafat over diplomats' deaths

By Our Washington Staff

THE Justice Department said yesterday it would not bring charges against Palestinian Liberation Organisation (PLO) leader Mr Yasser Arafat over the killing of two US diplomats 13 years ago in the Sudan. Reuter reports from Washington. The Department cited lack of legal jurisdiction over the killings and insufficient evidence linking Mr Arafat to the murders. Ambassador Cléo Noel and Charge d'Affaires George Moore were killed along with a Belgian diplomat after being taken hostage in Khartoum by eight guerrillas demanding the release of Sirhan Sirhan, the convicted killer of Senator Robert Kennedy, and other prisoners. Responsibility was claimed by the Black September Organisation, an arm of the PLO. The case was reopened last November after Mr Charles Lichtenstein, former deputy UN ambassador, gave the Justice Department new evidence which he said implicated Mr Arafat in planning the embassy takeover.

Bolivia resolves teachers' strike

By Our Washington Staff

THE Bolivian Government agreed yesterday to re-hire nearly 75,000 sacked teachers and promised to raise their wages eight-fold from their monthly average of about 40m pesos (\$13.24). Reuter reports from La Paz. The signing of the agreement with teachers' representatives defused a series of nationwide road blockades and strikes drummed up by trade unions in support of the teachers, who were dismissed in February after refusing to start classes. Officials said they hoped the move would ease social unrest.

Haiti candidate voices fear of possible coup d'etat

By Our Washington Staff

A LEADING presidential candidate fears a coup d'etat in Haiti by supporters of exiled former president Jean-Bertrand Duvalier, according to a report from Port-au-Prince. "The country is in danger," Pastor Silvio Claude, founder of the Christian Democratic Party of Haiti (PDC), told a rally yesterday at the national palace after marching through the capital with 3,000 "pro-government" supporters. Mr Claude, one of about a dozen presidential candidates, told the rally that unless ruling-council president Lieutenant General Henri Namphy removes all Duvalierists from office, Haiti faced the prospect of being overrun by what he described as well-armed "Tonton Macoutes."

The march was one of the relatively few signs of support for the beleaguered Government, which has been beset recently by public and private sector strikes, the resignations of cabinet ministers, and the looting of food warehouses.



Del Mazo: identikit presidential candidate

There is an authoritarian streak in Mr Del Mazo recognized even by his fans. On hearing of his appointment, the left remarked on his paramilitary approach to settling land disputes. On the actual day of his promotion, a group of newspaper publishers voted to break relations with any publication seen to be promoting him, because of recent changes in state of Mexico laws they deemed to be a gag on freedom of expression.

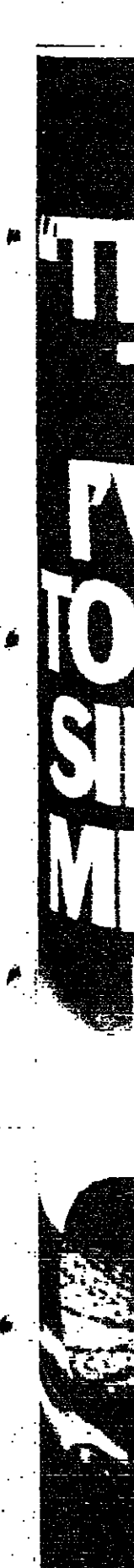
His main obligations as Mexican state governor have been met his most immediate challenges now will involve a further liberalisation of oil export policy and major public sector cuts. Mexico is in the process of moving towards new agreements with its major oil clients, after last month's radical decision to move to spot-let oil prices. Alberto dismissed as "speculation" the left-wing nationalist opinion, inside and outside the PRI, has been educated to regard this as an inadmissible surrender of sovereignty over Mexico's main resource.

Further, the announcement of a major sell-off of public sector enterprises is imminent. Though the De La Madrid Government is committed to slimming down the public sector, Mexican opinion has had the centrality of state enterprise drummed into it over the years. Mr Del Mazo not only regained control, but turned the local party into perhaps the most formidable machine the PRI possesses.

There is an authoritarian streak in Mr Del Mazo recognized even by his fans. On hearing of his appointment, the left remarked on his paramilitary approach to settling land disputes. On the actual day of his promotion, a group of newspaper publishers voted to break relations with any publication seen to be promoting him, because of recent changes in state of Mexico laws they deemed to be a gag on freedom of expression.

His main obligations as Mexican state governor have been met his most immediate challenges now will involve a further liberalisation of oil export policy and major public sector cuts. Mexico is in the process of moving towards new agreements with its major oil clients, after last month's radical decision to move to spot-let oil prices. Alberto dismissed as "speculation" the left-wing nationalist opinion, inside and outside the PRI, has been educated to regard this as an inadmissible surrender of sovereignty over Mexico's main resource.

Further, the announcement of a major sell-off of public sector enterprises is imminent. Though the De La Madrid Government is committed to slimming down the public sector, Mexican opinion has had the centrality of state enterprise drummed into it over the years. Mr Del Mazo not only regained control, but turned the local party into perhaps the most formidable machine the PRI possesses.



WORLD TRADE NEWS

Krupp unit to plan Argentine DMT plant

By Peter Bruce in Bonn
KRUPP KOPPERS, the process plant arm of West Germany's Fried. Krupp steel and engineering group, has won a contract to plan a DM 200m (\$90.5m) dimethyl terephthalate (DMT) plant in Argentina.
 Krupp spokesmen said yesterday the group would also manage the construction of the plant and its commissioning, late in 1988.
 DMT is a feedstock used in the production of polyester fibres. The plant, which will have a capacity of 45,000 tonnes a year, is to be built in Ensenada, near Buenos Aires.
 Krupp, which built a DMT plant in Argentina in 1972, would not say how much its contract was worth.
 The construction of the new plant, the company said, was designed to make Argentina self-sufficient in DMT.
 Krupp said it had already planned or built 18 other DMT plants around the world.
 The new plant is being planned round a process developed by Dynamit Nobel, formerly part of the Friedrich Flick group in West Germany.
 Dynamit Nobel will also take a share of the construction and commissioning contracts awarded by Petroquímica General Mosconi, the Argentine client.

Oil market fall hits Hungarians

By David Buchan in London
HUNGARY'S largest chemical trading company, Chemolimpex, expects to see its hard currency earnings fall 20-25 per cent this year because of the depressed world market for oil and gas-related products.
 Mr Janos Sander, Chemolimpex's development director, yesterday further illustrated the squeeze in which many Hungarian exporters now find themselves by pointing out that even the modest recent fall in the price of Soviet oil and gas sold to Hungary was not being passed on to domestic producers.
 To maximise tax revenue, the Budapest Government was maintaining price levels of naphtha and gas, the raw materials on which 70 per cent of the chemical industry depended.
 Hungarian Government officials have forecast a \$200m drop this year in exports.

Brussels gives Canberra 'no dumping' pledge

BY PAUL CHEESEBRIGHT IN BRUSSELS
AUSTRALIA'S erratic relationship with the European Community looked set to enter a period of calm yesterday after talks between Mr Bob Hawke, Australia's Prime Minister, and Mr Jacques Delors, the president of the Commission.
 "The basis and framework for relations between EEC and Australia has been significantly improved," Mr Hawke said in Brussels.
 He had received assurance that, in the short term, the Community would not start dumping its agricultural surplus in markets built up by Australia and that, in the longer term, agriculture would play a prominent part in a new round of international trade liberalisation talks due to be launched later this year.
 This year, relations between the two have been characterised by mutual recrimination. Australia has been vociferous in its criticism of the EEC's common agricultural policy.
 It has expressed fears of being trapped in a farm trade subsidy war between the US and the Community. The Commission has accused Australia of being unfriendly and put off planned ministerial consultations.
 In the new atmosphere of bonhomie, these consultations will be reinstated and the two

sides are to explore, in a new dimension to their relations, possible co-operation in technological research and development.
 On specific farm trade matters, Mr Hawke received from Mr Delors:
 • Confirmation that the Community will not interfere in the Australian markets of Japan, South Korea, Papua New Guinea, Malaysia, Singapore and Thailand through the use of farm export subsidies.
 • Agreement that there should be a standstill and rollback of farm subsidies and that this cannot wait for the outcome of the new international trade talks.
 • An undertaking that there will be talks to improve access to the Community market for Australian beef.
 • Strict adherence to the minimum price provisions of the International Dairy Agreement.
 Mr Hawke is touring selected Community capitals after a visit to Washington last week. His talks so far have not diminished Australian fears of an EEC-US farm trade subsidy war.
 "The possible danger of conflict is a real one," he said. He remains anxious to avoid the two settling the problems of the sector "leaving Australia and others out in the cold."

Slice of Bosphorus bridge deal goes to UK

By Christian Tyler, Trade Editor
BRITISH companies have won a consolation prize in the contentious affair of the second Bosphorus bridge.
 The Japanese consortium, led by Ishikawajima-Harima Heavy Industries (IHI), that secured the prestigious contract has subcontracted part of the work to two UK companies.
 In a deal worth £8.7m, it has ordered some 10,000 tons of cable and rope for the suspension bridge from Rylands-Whitcross of Warrington, Lancs, and British Ropes of Doncaster, Yorks.
 Despite British Government protests at the defeat of the UK bid a year ago, and subsequent demands for a share of the work, the sub-contracts are not a political gesture, IHI said yesterday.
 "We cannot afford to do that. We are a commercial company. The contracts were won on price," Mr Yasuhiro Asakino, IHI's general manager for European operations in London, said.
 The Japanese, who also won on price, are still annoyed by British ministers' claims at the time that Japan had stolen the contract by its larger offer of concessionary finance.
 They were also upset by what they regarded as the peremptory demand by the unsuccessful contender, Trafalgar House and its subsidiary Cleveland Bridge, for a share in the work.
 However, Mr Asakino yesterday stressed IHI's interest in finding British partners for future projects in third countries, and praised the rope manufacturers chosen this time for their high technical standards.
 The contract for the suspension bridge, with 37km of road, is valued at \$270m (£180m) to be funded by Japanese government credit of \$205m at 5 per cent, and commercial credit of \$71m at 9.375 per cent.
 Three other contracts for associated motorway, to be built by Turkish and Italian partners, bring the total value of the project to \$551.2m.
 The consortium of British, US, West German and Turkish companies had bid \$312.7m for the bridge section and \$678.5m for the rest of the project.

Australia awards Italians A\$29m radar contract

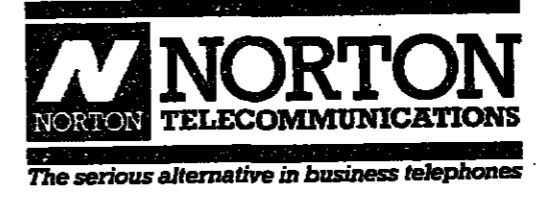
BY EMILIA TAGAZZA IN CANBERRA
AUSTRALIA has awarded a A\$29m (£14.5m) contract to Italy's Selenia Industrie Elettromeche for two airfield surveillance radars.
 Mr Kim Beazley, the Defence Minister, said yesterday that one would be installed at the Tindal Air Force Base in the Northern Territory, which is being developed for one of Australia's Hornet squadrons. The other system will be installed at the East Sale base in Victoria.
 The contract is covered by the Australian Government's offsets

policy, whereby foreign suppliers of government contracts worth at least A\$2.5m are required to pass on part of the work to Australian companies. The offset requirement is 30 per cent of the contract value.
 Mr Beazley said Selenia had agreed on Australian participation in the design and manufacture of the equipment. In addition, the company's Australian partner, Ansett Technologies, would manufacture and programme two automated test stations for the maintenance of the equipment.

Which telecoms company got its digit out this week?

Norton.
 Ahead of BT, Norton have introduced sophisticated digital PABX that business has been waiting for.

Call us for the details on 01-278 0404.



Norton Telecommunications Group Plc, 341 City Road, London EC1V 1LJ Tel: 01-278 0404 Telex: 27177 Fax: 01-833 3859

"THE ONLY THING I'VE PUT TOGETHER SINCE MY MECCANO DAYS!"



One day it may be you who's chosen to oversee a major design and construction project on your company's behalf. And the strong likelihood will be that you've never done it before.
 Reaction? Panic stations. How on earth do you go about it all? Who do you talk to? With so much at stake (not to mention your future) how can you ensure nothing will go wrong?
 The short answer is avoid any company who will farm out aspects of the design and planning process.
 Lack of tight control in this area results in a lack of cohesion. And that's where plans generally come unstuck.
 From every angle the most constructive way to go about it all is to talk to IDC.
 Over 25 years experience in doing what you may only undertake once in your lifetime is reassuring, to say the least.
 And in all that time we've known the only way to be accountable for project design, engineering and construction is to handle it all, by ourselves, from under one roof.
 Other companies claim to work in this way. But a visit to our offices shows who's telling the truth.
 Working with IDC means that you join forces with a team of professionals who ascertain what's feasible against your budget.
 And, as an essential member of the project team, you'll know what's happening each and every critical step of the way: when, where, why and how much.
 With IDC you're always in control, because we are.
 For a brochure explaining the full value of our difference, write to Clive Hicks, IDC Group Limited, Stratford-upon-Avon, Warwickshire CV37 9NJ.
 Or telephone 0789 204288. Or telex 311201.



TENSE, NERVOUS HEADACHE?

**LONDON
HEATHROW**

A curious ailment seems to affect those who fly via the airport on the left. Confusion, stress, loss of direction. It's known to the cognoscenti as Heathrowitis.

Other sufferers describe it as airport lag.

Flying via the airport on the right has the opposite effect on the traveller. Passengers experience a feeling of well-being. A soothing, unruffled sensation.

A mere half hour from Central London by non-stop trains every 15 minutes, you go straight into a single airport terminal for all departures.

EAST, EFFECTIVE RELIEF.

**LONDON
GATWICK**

It's the perfect antidote for the business traveller. And also a convenient gateway to 111 worldwide destinations.

An added tonic is that Gatwick is the home of British Caledonian. Who, as you know, never forget you have a choice.

Next time you're flying, and in the interests of your own sanity, remember you don't have to suffer Heathrow. **British Caledonian Airways**

The remedy is obvious.

We never forget you have a choice.

THE MANAGEMENT PAGE

BY ANY standards John Bryan is a strikingly direct man. "I am not a product of the system. I am a product of nepotism," he says, managing to sound arrogant and disarming at the same time. "I got a job because my father gave me one. I have never climbed a corporate ladder. I have never not been head of a company." Wavering only slightly, he concludes: "And I'm young."

Bryan, approaching 50, rattles off the professional record—an unusual one for a US top-ranker—which has made him chief executive of Sara Lee, one of the 50 biggest corporations in the US and a once-creaking foods conglomerate.

He took charge 11 years ago when he was 38, after his family's meat business had ended up under the control of Consolidated Foods Corporation, the messy group which changed its name to Sara Lee a year ago.

That change appears to be the finishing touch to the disciplined restructuring which has occupied Bryan since he took over.

Sara Lee has emerged from the stormy 1970s virtually unaffected by the troubles which have afflicted competing groups like Beatrice, General Foods and General Mills. While they were still busy acquiring new and ever more diversified businesses, Bryan was going in the opposite direction, quietly disposing of non-core operations and building a group specialising in branded packaged consumer goods.

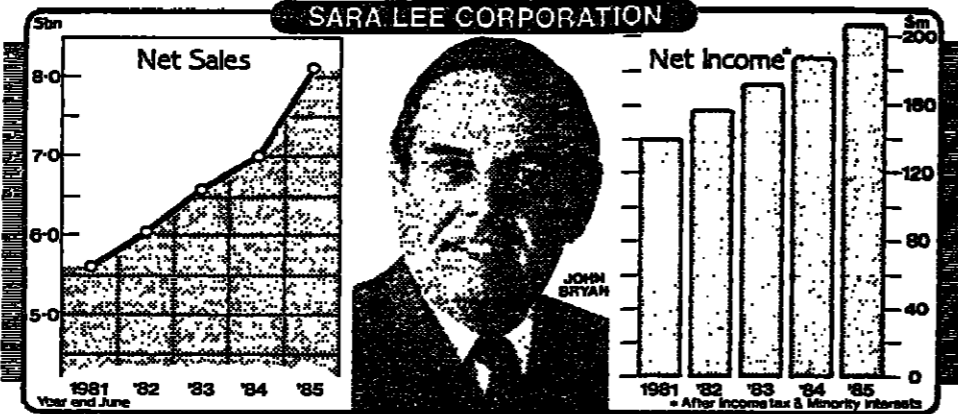
The company had made its mistakes. In the late 1960s the management was obliged by the US regulatory authorities to sell off 25 per cent of the business, mainly the distribution end. But in the rush to rebuild it added a rag-bag of ill-matched subsidiaries which threw the company off balance.

Sales had recovered but profitability was suffering when Bryan took control. He promptly dumped about 60 businesses making commercial and industrial products, and dealing in basic commodity foodstuffs.

Last year Sara Lee sold more than \$500-million worth of foods, coffee, personal care and house-

Christopher Parkes talks to the chief executive of Sara Lee, the US foods to medicines group

The life of Bryan



hold products, gloves, underwear, tights, tobacco, candy bars, canned vegetables and home medicines. Outside the US it is best known for Douwe Egberts and Chat Noir coffee, Amphora and Drum pipe and rolling tobacco, Kiwi shoe polishes, Sara Lee frozen cakes, Aspro and Rennie's.

The most striking oddity is Sara Lee's Electrolux vacuum cleaner business—no connection with the Sweden-based multinational appliance company. However, claims Bryan, it might appear out of place in any group. It is unique in that its products are sold door-to-door and cost up to \$600 each. It is also extremely profitable, he says.

Wall Street likes what it sees. "The people at the top are very sophisticated," says one analyst. "Many of their markets are very competitive, but they are in the business they know best and that gives them the edge over the others."

Bryan's rebuilding process started in the boardroom. "When we bought a company we gave a seat on the board as

part of the deal," he explains. "The barons would meet, each with a consistency to protect, and we ended up with an ungovernable situation."

Seven of the barons left in the first wave of changes. Now there are only four insiders on an 18-member board, with the rest drawn from a wide range of businesses, including banking, oil and drugs. "We have two females where most have only the token one." And there is Paul McCracken, a former economic adviser to President Nixon. To tighten operational control, he increased staff at the group's Chicago headquarters from 50 to 200.

"The board is not there to manage the business," declares Bryan. "It is there for two or three major moments in the history of the company. It is needed for the transition between chief executive officers, something which is often done badly. It has to attend any change of ownership, when the right judgment is critical."

He breaks off, frowns. "Board members must be

independent. I can't stand cronyism."

Declaring himself a good delegator, leaving individual companies' management to run their own operations, he values his board colleagues above all as advisers. "They are my window on the world."

Through that window Bryan thinks he has a clear view of the future. In the past few years he has rounded off the rebuilding of the group with three major acquisitions. For a total of about \$1bn, Sara Lee has taken in the Eames knitwear, hosiery and underwear business, the Douwe Egberts coffee company based in the Netherlands, and Nicholas Kiwi, which makes household products and pharmaceuticals.

"I think the chances of buying more companies of the same quality now are virtually nil," states Bryan. Today he sees the main opportunities for growth in the developing world.

"The chances there are greater than fighting a bunch of elephants in mature markets

like the US or Europe," he says.

He recounts a story told him by an international banker about corporate life in Vietnam. "We were on the last plane out of Saigon. We had made a lot of money there and we didn't leave a penny behind. It is not clear if he approves or disapproves, but the moral is plain: even in the worst circumstances western business can profit handsomely in developing countries."

By contrast Bryan speaks almost wearily of recent experiences in more traditional markets. In the Netherlands, for example, he seems aggrieved by statutory controls on management which may tend to fudge decision making.

But there are beasts far nastier than elephants. Bryan reserves a special contempt for "Wall Street technologists, junk bond jugglers and lawyers with their games and gimmicks" who he blames for spawning the recent outbreak of mergers and asset stripping in the US.

Having escaped the attentions of predators so far, Bryan believes Sara Lee is in a strong enough position to resist. No "good" company has yet fallen prey to the strippers, he claims. Also, the technology of defence has not time for poison pills and similar devices. "We run our business in the old-fashioned way," he says confidently.

Apart from any old-fashioned tactics he may have up his sleeve, he says any bidder would have to pay "a monstrous price" to get his hands on Sara Lee—more than 20 times earnings at present levels.

The company's new name may have a cosy, down-home ring to it. But just as Pooch's pal Tiger is a potential man-eater beneath the cuddly exterior, so Sara Lee has a baseball bat tucked in her bustle. She last used it in 1984 in the sulphurous battle which developed when Reckitt and Colman had the temerity to try to upstage the company in its takeover overtures to Nicholas Kiwi.

It is still to hand. "If anyone decides to get abusive or opportunistic," snarls Bryan, "we'll beat the living daylight out of them."

Japan's threat to US skills

JAPANESE PRODUCTION plants in the US and the operation of most joint Japanese-American ventures are eroding engineering skills in the US and will permanently enfeeble its manufacturing base.

These collaborative deals have been designed by the Japanese to protect higher-paying production jobs, and the most complex and higher "value added" elements of manufacturing, from being exported from Japan. And while Japanese companies are willing to establish basic research, assembly and marketing in the US, they are using collaborative deals to strip American project engineering and production process skills out of the US.

This is the main and somewhat controversial conclusion of a study by Robert Reich, former director of policy planning at the Federal Trade Commission during the Carter administration. Now a tutor in political economy at Harvard University, Reich has become one of the foremost advocates of the argument that the US Government should develop an active "industrial policy."

Written with Eric Mankin, also at Harvard, the study addresses itself to what some Japanese refer to as the "hollowing out" of US manufacturing. The study is almost totally negative about the implications of these collaborative ventures.

"The implications of this trend for US companies, workers and the national economy are uniformly bad—joint ventures with Japan give away our future," say Reich and Mankin in a summary article in the latest Harvard Business Review. They argue, in effect, that US companies which lock themselves into these deals are presiding over their own funerals.

Figures from the Japan Economics Institute show there are more than 520 plants in the US in which Japanese investors own a majority stake. Reich and Mankin concentrate on the auto industry, machine tools, consumer electronics and semiconductors that their conclusions apply to most sectors where the Japanese either produce in the US or act as major component suppliers.

The academics do not appear, however, to examine the value of local content arrangements or the severe pressure on companies to agree collaborative deals. Nor do they consider in any depth what US companies can learn from Japanese skills in manufacturing management, though they are certainly very pessimistic on this issue.

The most significant competitive gains can be made from learning about man-



facturing processes. Reich and Mankin argue. "But the result of the new multinational joint ventures is the transfer of that learning from the United States to Japan."

The Japanese investment in US factories gives the Americans experience in component assembly but not component design and production. Time after time the Japanese reserve for themselves the part of the value-

added chain that pays the highest wages and offers the greatest opportunity for controlling the next generation of production and product technology. One of the nibs of Reich and Mankin's thesis is the snowball effect of all this during times of rapid technological change.

If Japanese companies continue to build the most complex components using complex production processes their US partners have little incentive to train workers in product and production engineering.

The Japanese partner continues to move down its production learning curve by making products destined for US markets. Thanks to these joint ventures and coalitions, the efficiency gap between US and Japanese manufacturing processes will continue to widen.

Acknowledging the Japanese willingness to build laboratories in the US, Reich and Mankin point to Nippondenso's research centre in Detroit for automobile electronics and sensors and that of Nakamichi in California for computer peripherals. Most major Japanese companies also fund research at American universities, with first refusal in licensing any products or technologies developed there. But the study claims that the results of all this research are almost exclusively returned to Japan for commercial exploitation.

In the auto industry the academics argue that in the deals between General Motors and Toyota, Chrysler and Mitsubishi, and Ford and Mazda,

the US vehicle builders are delegating (or will do so) all plant design and product engineering responsibilities to the Japanese partners.

Machine tools took a similar gloomy US scenario were unprepared for the technological advantages of the late 1970s and 1980s. They could only keep their heads above water by selling products manufactured in Japan. By 1983 more than three quarters of all machining centres sold in the US were made in Japan though often with American nameplates.

Even US companies that developed new machine tools now face Japan for manufacturing—a new machine from Acme-Cleveland jointly developed with Mitsubishi is to be made in Japan.

A drawback of the study is that it makes no reference to the success of the West German machine tool industry, which has kept much more of its independence, does most of its own manufacturing, and in many products still out-exports the Japanese.

The study concludes that, by falling in line with the Japanese strategy of the Japanese, US companies have sold themselves too cheaply, putting themselves into an acutely vulnerable position. US companies' sales and distribution agreements with the Japanese will become less and less profitable, the authors argue, because the value provided by the US partner is potentially replaceable. Having gained access to its customers, the Japanese can decide to set up their own distributive networks or squeeze the US distributors' profit margins.

Reich and Mankin make no comments on the steps US companies could take or are doing to make themselves more competitive as producers on US soil. Instead they say the US Government could play a major role by creating incentives for companies, no matter where they are headquartered, to invest in complex production in the US using American workers and engineers. This would include subsidies for investment in production experience to make up diminished short-term profits that arise from such investment.

Harvard Business Review March-April 1986. Reprint 89210.

STANDARD LIFE PROPERTYLINE HAS BRITAIN'S FINEST HI-TECH PROPERTY

PROPERTYLINE

0800 83 33 83

LinkLine—straight through for free.

When you need hi-tech or industrial space, phone Standard Life Propertyline—first.

Standard Life have business and hi-tech industrial parks in prime locations. In Manchester, Birmingham, Dunfermline, Milton Keynes, Basingstoke, Oxford, Watford....

They also have years of experience in development and management to make certain of the services and facilities a modern enterprise needs.

Plus the funds—and the land—to design and purpose-build for you, should you require.

For the best in hi-tech and industrial property, ring Standard Life Propertyline—now.

P.O. Box No. 62, 3 George Street, Edinburgh EH2 2XZ

All bonafide agency introductions accepted.

Standard Life

A development by Standard Life makes all the difference.

Flexibility: long way to go

"IF IT'S running it's mine, if it's broken it's yours." For long in British industry, that kind of thinking has typified the division between maintenance and production. Changes are occurring: flexibility is now a key labour market concept whereby different forms of peripheral workers are used to supplement core workers. It also involves occupational changes: specifically, the relaxing or abandoning of demarcations in industry.

Incomes Data Services, the pay research organisation, is to publish its first lengthy, detailed study of how far-reaching and how important is this breaking-down of barriers.

"There are very few exceptions," it concludes. "The process of achieving full-scale flexibility has hardly begun... in general, progress has been limited. The gap between the few advanced companies and the large majority is considerable." Demarcation, as practised and castigated in Britain in the 1960s, has for some time been fading away under the combined pressures of recession, new technology, and competition, the study suggests, but that does not mean that the more recent changes happening in a few companies—and it is only a few so far—are not significant.

Flexibility is one of a number of radical changes in industrial relations practices—others include single-union arrangements, strike-free deals and full single-status arrangements—which have implications for both managers and employees.

The study looks at change in a range of companies, from Sony to Anglesey Aluminium, from Westland to Nabisco. Many have been scrutinised previously, though in particular, it looks in detail for the first time at Mars in Slough. Here, the company—which

pays well for the area, has a company-wide profit-sharing scheme, full single status with all staff eating in the same restaurant and enjoying the same holiday and pension arrangements—trains fitters to be electrically competent to City and Guilds standards. Initial scepticism among its in-house electricians was worn down by the standard of the fitters' electrical knowledge and the contribution they made.

Mars also recruits people with specific trades for direct production jobs: "tradesmen normally get job satisfaction from the repair and maintenance of machinery," says a Mars manager in the report. "Now they have to get that satisfaction from keeping their machine at a high level of efficiency, monitoring it carefully, getting more out of it than someone else. Some people who were tradesmen can manage this, some can't."

A further innovation in the company is the computerisation of maintenance—cutting down on the time wasted by chargehands (sometimes as much as 80 per cent of their time) as they tried to find a fitter. After some initial scepticism, says a manager, "we introduced VDU terminals instead of the old log book. Anyone can key in a request for a job; it flashes up on the screen. After that he'll take it on, and then feeds back into the machine when he's done it. You even end up with a job history."

"Everyone loved it, and the chargehands found that the more mundane side of their job had been removed." From his examination of most of the new flexibility deals so far struck, IDS reaches a number of broad conclusions:

- Change has barely started.
- Many of the most impressive-looking agreements are really only enabling deals, establishing the possibility of change,

sometimes over a long period. The real test is still to come.

- Widely-differing aims in companies make for different requirements—sometimes more skills, sometimes fewer.
- Real change depends on consent and commitment, and cannot properly be introduced solely by managerial prerogative. "No company is able to implement significant change without the involvement and support of employees." In most cases, this involves paying more—sometimes considerably more.
- Change in the workforce requires change in management too. "Management's restrictive practices and demarcations," the study says, "for example between production and engineering, need to be eliminated as the pre-condition for any major change."
- Flexibility is changing the role of the front-line manager perhaps more than any other single job. The foreman's role is being replaced by self-supervision or even by automatic supervision (on-line monitoring of output and computerised fault-finding), requiring in its turn better and more flexible managers.
- Simpler bargaining arrangements—often with only a single union—are often seen to be a virtual necessity.
- While the dramatic examples of flexibility are nearly all in factories constructed since the early 1970s, a greenfield site is neither a pre-condition nor a guarantee of change.
- Real flexibility involves a commitment to continual change; not a one-off set of alterations to current practices, but the ability to respond to changing needs over a period of years.

Flexibility at work. IDS study No. 360, April 1986. IDS, 193, St John Street, London EC1V 4LS. By subscription.

Philip Bassett

Since their inception the S-class and SL have always been the total embodiment of the classic Mercedes-Benz ideal that began the first century of motoring: the best, or nothing.

A fine balance of what is possible, what is desirable and what is expected. Many things are now feasible that were just emerging as bold ideas when the second generation S-class went into production over six years ago.

A change of pace, but not a change of direction.



THE NEW MERCEDES-BENZ S-CLASS, SEC & SL MODELS

And today's S-class and SL models demonstrate how the new thinking that Mercedes engineers have taken on board relates to real progress rather than the dictates of fashion.

For this top-of-the-range series a completely new six-cylinder 3-litre engine has been developed alongside a new 4.2 V-8 unit and the proven 5 litre engine.

The new engines are more powerful and more silken than before.

Fine tuning of the S-class suspension has resulted in an even higher degree of smoothness and stability (rear seat passengers are now in for a quieter and more stress-free ride than ever).

The exterior, too, has become subtly more in tune with the air flow.

The observant will notice a deeper front spoiler, smooth side mouldings, and integral fairings that reduce drag and lift forces still further.

In all, the new S-class and SL range has a specification that goes significantly beyond the previous one.

Yet, reassuringly, very little appears to have changed at all. Which proves that consistency of direction is the surest way of achieving progress.



Mercedes-Benz
Engineered like no other car in the world.

THE NEW SE & SL HAVE 3 ENGINE OPTIONS: 300, 420 OR 500. THE NEW SEL & SEC HAVE 2 ENGINE OPTIONS: 420 OR 500. LATER THIS YEAR, 560 SELs & SECs WILL BE AVAILABLE.

TECHNOLOGY

SINGAPORE has set out on an ambitious course to become a world-class centre for research into artificial intelligence (AI). But it faces a number of barriers if it is to achieve its goal.

The country has wide-ranging plans to upgrade its computer expertise from mainly parts assembly to the design of "thinking machines" at the very forefront of computer technology.

Central to this strategy is Singapore's new S\$2.5m Information Technology Institute, due to be completed in October. This will serve as a centre for applied research and development in all aspects of information technology. It will closely collaborate with industry, and artificial intelligence rates as a top priority, with its own special laboratory.

ITI will also gather together research groups currently scattered throughout government agencies. In addition it is planned to launch new undergraduate programmes for AI training, and strengthen graduate research by inviting the best of foreign experts to teach.

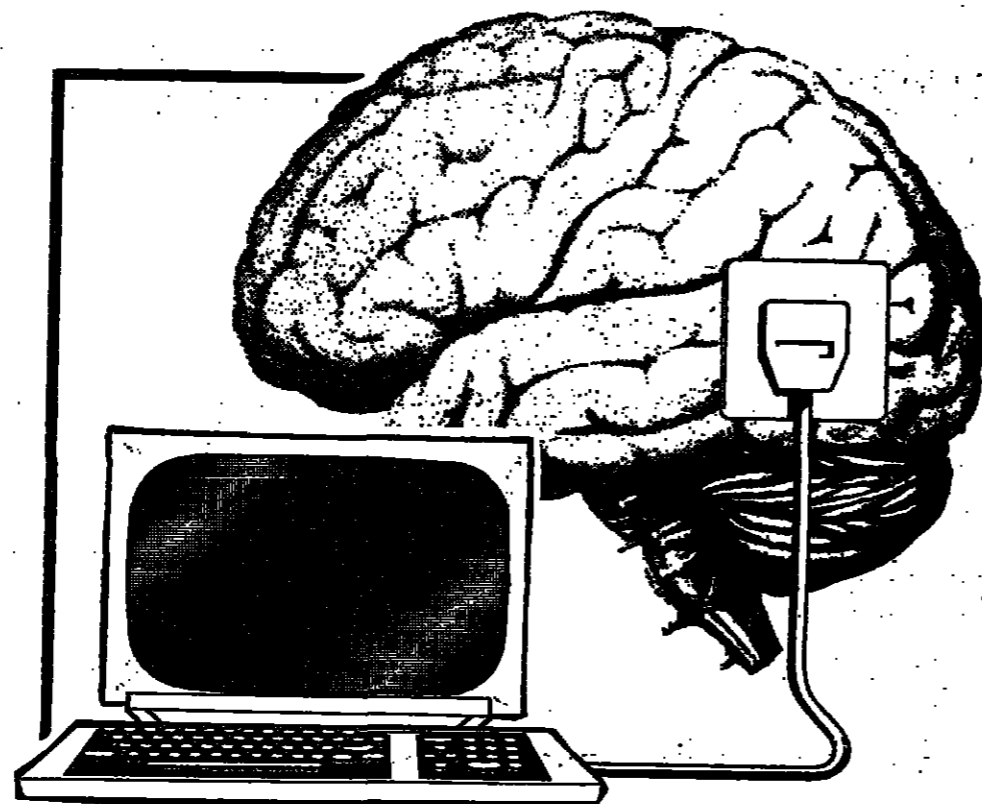
The aim is to turn Singapore into a first-rate centre for computer software design and win a share of the lucrative market in computer programs. At the same time Singapore mandarins see AI as a tool for boosting industrial competitiveness, and a key to its cherished aim of becoming a "knowledge centre" for south-east Asia.

Dr Yeo Ning Fong, Minister for Communications and Information and himself an expert in AI, told a recent gathering of AI experts that artificial intelligence "is essential to our role as a knowledge broker."

Artificial intelligence involves the application of the principles of human thought to computers. This converts simple "number crunchers" into thinking machines capable of matching or even bettering the best human experts in certain narrow areas.

Sales of AI hardware and software topped US\$700m in 1984, according to a new study by merchant bankers Rothschild. The new found commercial success of AI is largely due to innovations in software called expert systems. These sophisticated software programs endow computers with the ability to mimic human thought. Expert systems are not "free" thinkers. They work to set "rules" compiled from interviewing human experts about how they think. However, the mechanical boffins also depend on "heuristic" reasoning, sometimes called the art of good guessing.

Like human beings, the thinking computer builds up knowledge through experience. This



Singapore puts brainpower behind thinking machines

enables it to tackle complex problems which cannot be solved using conventional computing.

Artificial intelligence is further advanced in the West and in Japan, where these expert computers help treat cancer, search for mineral and oil deposits, and help run steel mills and petrochemical refineries.

In the business world financiers are beginning to rely on expert systems in a variety of ways, from planning long-term capital investments, to making snap decisions on equity dealing. One prototype program even assesses the political risks attached to international investment projects for wary insurance underwriters and international loan merchants.

However, artificial intelligence could be equally important to newly industrialised countries (NICs) rimming the Pacific Ocean, such as Singapore.

The "NICs" see it as one way to compete against bigger

Stephanie Yanchinski on the country's ambitious plans to upgrade its computer expertise

Industrialised countries, by carving out special market niches. Prof Edward Feigenbaum, computer scientist at Stanford University and keynote speaker at the recent meeting of AI experts in Singapore, said: "Artificial intelligence is ideal for a small nation such as Singapore. It requires no imports, as it is based on people's knowledge."

The Information Technology Institute will initially have a pool of 40 computer professionals who will be transferred from the existing Joint Software Engineering Programme between the National Computer Board and the Ministry of Defence. There will also be an advisory panel of international

authorities.

The final programme remains to be worked out. But it is likely that ITI scientists will apply AI to solving practical problems in established industries such as shipping, transportation and financial servicing, as well as the growing telecommunications business.

Expert systems would be able to organise container loading and storage at Singapore's busy port more efficiently, for example, and save many thousands of dollars a day.

Singapore also hopes to win its share of the future market for AI equipment and software which the American consultancy firm Arthur D. Little predicts will jump to US\$200bn by the end of the century.

The Joint Software Programme has already brought one expert system, POSE, close to commercialisation. Picture Oriented Software Environment is a tool for systems analysis, which can be taught in an hour.

The most lucrative application involves developed generic

"shells" which could be tailored to fit a variety of industrial applications. At the moment it costs between US\$60,000 and US\$90,000 to purchase a single copy of AI software.

For instance, Rubicon, another product of Singapore's AI research under development, is a generic product for automating the production of expert systems for many industries, including transportation and financial servicing.

Singapore is also eyeing the huge untapped market for Chinese language programmes. At the ultra-modern Institute for Systems Science, IBM's Dr Hay Chang is leading a small team which is close to perfecting a Chinese version of Prolog, a popular AI software, which will find applications in designing Chinese expert systems.

However, China itself offers strong competition, says Edward Feigenbaum, as interest in artificial intelligence increases. Two years ago the Chinese Association of Artificial Intelligence boasted over 1,000 members.

Singapore faces other hurdles in developing AI into a fully-fledged business. Dr Don Walker, computer scientist at Bell Communications Research, points out that there is such a worldwide shortage of AI experts that American industry "has had to resort to inhouse training." Singapore will have even greater difficulties in finding the right people.

Dr Vincent Yip, head of the Singapore Science Council, disagrees, saying that the foundation for AI training has already been laid through joint research projects between Singapore research institutes and IBM, Britain's ICL and the Japanese company NEC.

Another problem, that of where Singapore will find a market for its AI products, may be more intractable, however. The region is not ready to use AI, and local industry, with the exception of aerospace, is suffering during the current recession. It can cost a company between US\$1m and US\$2m to develop and implement an expert system.

Singapore's Minister of Communications Dr Yeo sums up the dilemma of Singapore, and other small countries, when he says that the "biggest barrier we face is the lack of availability of AI users" which could create a demand for products and justify the expense of training people to supply them.

Consequently, David Waltz, senior scientist at Thinking Machines Corporation, one of the new American AI ventures, says that despite Singapore's advances in AI research full commercial exploitation is three or four years down the road.

ICI set to forge data exchange links with its customers

ELECTRONIC EXCHANGE of data is to be introduced between Imperial Chemical Industries (ICI) and 100 of its customers within the next two years, using the Tradanet service offered by International Computers (ICL).

Tradanet, which ICI will use internally as well as externally, allows 24-hour, 365-day data exchange from computer to computer, regardless of manufacturer or the communications protocols used. Cost is only a fraction of that normally incurred - an invoice, for example, costs only 4p to send by Tradanet.

The system speeds up orders to suppliers and also requires an organisation to maintain only one communications link with all its customers.

Apart from ICI's eight UK divisions, ICI America, with annual sales of \$2bn, will be the first overseas subsidiary to use Tradanet. ICI is in London on 01-785 7272.

DOUBLED DATA over telephone lines becomes possible with a new data compressor offered by UK company Rascal Milgo of Hook, Hampshire.

The new model 7200 is compatible with a wide range of data protocols and is available in single and four-channel versions. High-speed microprocessors and sophisticated encoding and decoding techniques are used to cut the effective data rate in half. This allows, for example, a 19,200 bits per second data stream to be sent over a conventional 9,600 bits per second system.

EPOXIDE COATINGS that cure within a minute under ultraviolet light have been formulated at Sandia National Laboratories in Albuquerque, New Mexico, in the US. (095) 844 8065.

The material is an alternative to existing products which are solvent-based and can take hours to cure and dry fully. It uses no solvent and can be brushed, dipped or sprayed on to protect any clean surface, in thicknesses of up to 0.005 in.

The coatings, which have a non-proprietary formula, have important advantages over

solvent-based epoxy coatings in that they have low shrinkage after curing, are compatible with most surfaces used in electronics, and age well. They also produce no gases after curing and are generally stable.

EAR DRINK dispensers using high technology are on offer from Anglo Services of Portsmouth, UK. (0705 671421). The Optronic system



WORTH WATCHING

uses a semi-conducting wet design to dispense spritzes at high accuracy in 1.5 seconds, which is claimed to be at least eight times quicker than traditional devices.

The system also has an onboard microcomputer, which keeps a tally of spritzes sold and allows lower stocks to be held. In addition, Optronic spritzes are suited to an external computer system or to an electronic till. Available in six or eight spritzes (bottle sizes) and will be supplied in bulk quantities. Operated versions for use in hotels.

SHRIMP PEELING at 450 kilograms per hour is achieved by a machine from Vega Velt of Nieuw-Vennep, (02) 845590.

The shrimps are cooked on a belt for up to two minutes and then pass through 12

FOR ALL YOUR COMMERCIAL PROPERTY. PHONE: PROPERTYLINE 0800 83 33 83. A development by Standard Life makes all the difference.

roller units in which the rollers move laterally with respect to each other, squeezing the shrimps from their shells. Metal parts are all from stainless steel and there are some 4,000 plastic components made from Du Pont Delrin (acetal homopolymer) and Zytel (polyamide resin), giving good stiffness at high temperature, improved wear and dimensional stability.

DATA COMMUNICATIONS will be the forte of a new company, Dowty Information Systems, formed by uniting two existing Dowty group companies, RKL Systems and Steebek Systems.

In an initial project, DIS will manufacture under licence an X25 concentrator design from Cableshare, the Canadian company. These devices take the data from 16 data lines and arrange it in "packets" for onward transmission over the X25 packet switched network. The new company is in Newbury, Berkshire, UK, on 0455 33409.

PNEUMATIC transporters, able to handle bulk powders and minerals at 400 tonnes per hour over distances of 1,500 metres, are becoming available in the UK from Beddar, part of NEI International Combustion in Derby (0332 760223).

The systems have been developed by NEI John Thompson (Australia) and a demonstration loop is available at NEI's Derby works.

A DESALINATION plant able to produce 45,000 cubic metres of fresh water from the sea every day - the world's largest - is under construction in Bahrain, Bahrain. The Saudi Arabia, the plant is being built by a consortium of Korean and British companies and will use Du Pont's "Permaspe" permeators.

The permeators contain fine hollow second fibres and when sea water is pumped at high pressure, salts are removed in the walls and the de-salinated water flows down the inside of the fibres for collection. A second pass in a further set of permeators reduces the chloride levels to less than 200 parts per lm.

INTEGRATED TECHNOLOGY FROM NEC.



Combined strengths. The power of modern technology is the power of combined strengths.

NEC is a world leader of long standing in four vital areas: communications, computers, electron devices, and home electronics.

Our innovative merging of these separate areas isn't surprising if you consider our experience.

More than 30 years in computers, with products ranging from supercomputers to personal computers. Over 85 years in communications, from business communications to satellite communications systems. NEC microwave communication links alone are extensive enough to circle the globe 45 times.

And intensive research and development efforts have made NEC the world's top-ranked producer of the sophisticated semiconductors so crucial to the integration of computers and communications.

Our commitment to an integrated "C&C" - computers and communications - technology provides answers to the networking and office automation needs of modern business. It also brings the power of integrated technology to the home. There are NEC products - from TV sets to home computers - designed to increase your enjoyment and understanding of the modern world.

In all, NEC manufactures over 15,000 products that are used in more than 140 countries. All are part of our integrated C&C technology.

Just as important as our wide range of products, NEC offers an unsurpassed combination of reliability, quality, and innovation. And a determination to make the NEC products you buy today a sound investment for the future.

UK NEWS

Peter Riddell, Political Editor, reports on the birth of a new campaign style

Council's stocks used up in tin settlements

BY ANDREW GOWERS AND STEFAN WAGSTYL

TWO CREDITORS of the International Tin Council (ITC) have reached out-of-court settlements on their claims against the price-support body, which precipitated the tin crisis last October by defaulting on gross debts of £190m.

The settlements involve two cases out of a flood of litigation which has been brought against the council since the collapse of efforts to rescue the tin market last month: a £10.6m claim by Standard Chartered Bank and a £3.25m award for MacLaine, Watson, the metal trading subsidiary of the US investment house Drexel Burnham Lambert.

They mean that the ITC has now apparently used up all the uncommitted tin stocks which it has available to settle claims against it. Any further claims by other creditors will thus have to be pursued by suing one or more of the ITC's 22-member governments.

Other creditors which have served writs on the council include Arab Banking Corporation and the Bank of Nova Scotia, while Kleinwort Benson is initiating arbitration proceedings.

"Now that the unencumbered metal is gone, it's all over," said the representative of one party to the lawsuits. "The real battle now begins over trying to recover money from the governments."

Under its settlement, MacLaine, Watson is understood to have been awarded warrants for 910 tonnes of tin, worth around £2.45m at yesterday's free-market tin prices. This follows arbitration proceedings un-

der the rules of the London Metal Exchange, in which it was awarded £1.25m to cover margin payments on outstanding tin contracts.

MacLaine has now restarted arbitration proceedings on the fact of its original claim, which covered a total of about £20m. Standard Chartered is being paid in tin and cash, but declined to comment on the amount it has accepted in settlement.

However, the ITC's "free" tin stocks - that is, stocks not committed under warrant or tied up in another dispute - are known to total only 1,900 tonnes, so Standard is probably to receive about 1,000 tonnes. To this must be added the 1,500 tonnes of tin warrants which the bank already holds as a result of the ITC's default, giving a total settlement value at yesterday's tin price of about £15m.

Bank officials said they were "satisfied" with the settlement and would not be pursuing their litigation against the ITC any further.

In another tin dispute, negotiations are under way between the ITC and the international trading company Transworld Metals over 800 tonnes of tin the company is holding in Singapore. The tin was contracted for just before the council defaulted, and has been held by Transworld as security for a claim it has against the ITC.

It is possible that if this dispute is settled and the remaining 800 tonnes become available to the ITC, that, too, could be used to top up the Standard Chartered settlement.

Labour updates image to 'put people first'

WILL nine-year-old Miss Roberts from south-west London do as much for Labour as the 60-year-old former Miss Roberts from Grantham - now the Prime Minister - has done for the Conservatives?

Yesterday Miss Hannah Roberts was launched as "Labour's new star" - featuring on party publicity material and in last night's party political broadcast - after being kissed and carried around a press conference by Mr Neil Kinnock, the Labour leader.

Her appearance inaugurated Labour's Freedom and Fairness Campaign which is intended to present, the admitted Tories and fresh thinking that had gone into Labour's new package of policies," as Dr Jack Cunningham, the campaign chairman, put it yesterday.

The emphasis is very much on

presenting an up-to-date image of Labour in the style used so successfully for the Tories by Saatchi and Saatchi, the advertising agency, before the 1979 and 1983 general elections.

There are none of the familiar Labour motifs in the leaflets or posters. Even the colour red, and the red flag itself, have been banished - apparently temporarily, as both will reappear during the election campaigns. Instead, the message, as unveiled yesterday by Mr Kinnock, is that Labour is concerned with everyone, not just the unemployed, the sick, the poor and the disadvantaged.

Under the slogan "Putting people first," the campaign aims at highlighting policies of immediate concern to ordinary people. This is based on market research carried out for the party and discussions

with advertising and other promotional advisers. This work shows that, while a majority of the public regard Labour as having the best policies on education, housing and other social programmes, many voters still see Labour as outdated and stuck in the 1960s and 1970s as compared with the Liberal and Social Democratic Alliance.

Indeed, Dr Cunningham talked yesterday of an appeal which was "more bright, forward-looking and confident in appearance."

An immediate target of the campaign is skilled working-class home owners who deserted Labour in large numbers in the last two general elections. For instance, last night's party political broadcast was aimed especially at working women with children. It referred to the provision of nursery education for under-fives, the establishment of a na-

tional network for cervical cancer screening, the danger to children's health from lead in petrol, and to helping people improve their homes with grants.

Among the specific proposals outlined in the leaflets are crime prevention grants to pay for stronger locks, glass and fencing, shorter waiting lists in the health service, fewer food additives with proper labelling, more help for first-time house buyers and a greater say for parents in education and tenants in housing.

Mr Kinnock asked whether all this amounted to a Mark 2 version of the Social Democratic Party, argued that while the Social Democrats aimed at desirable objectives, they were unwilling to will the means, as was shown by their record on local councils.

Some of the far-left on Labour's


national executive are suspicious of the campaign, which has been prepared by a small group closely associated with Mr Kinnock, in particular Mr Peter Mandelson, the director of campaigns and communications.

The hard left are worried about a dilution of the party's programme and fear that image will matter more than substance.

Last night's party political broadcast will be followed over the next few days with a mass leaflet drop in a number of key constituencies, by advertisements in regional newspapers financed by leading trade unions, and by speeches on social policy by Labour parliamentarians.

At yesterday's launch, Dr Cunningham and Mr Kinnock were careful to argue that the programme was modest and had been tested.

Get your News early in Köln



Sie erhalten die Financial Times im Abonnement durch Boten zugestellt. Näheres erfahren Sie von Financial Times Europe Ltd. Guillettsstraße 54 6000 Frankfurt/Main 1 Telefon 069/7598-0 Telex 416193

Review of tactics in print row

By Neil Rigney

PRINT UNION leaders were meeting last night to review tactics in their 19-week-old dispute with News International, in which 5,500 print workers were sacked when the company transferred production of its four titles from central London to a new high-technology printing plant in Wapping, east London.

The meeting, at the headquarters of the Trades Union Congress (TUC), came after the union, earlier this week, had decided on whether or not to purge its contempt of court.

The contempt arises from the union's instruction to members in the wholesale trade to "black" News International's titles - the Sun, the News of the World, The Times and the Sunday Times.

Saga's £17m assets have been seized, and the union is finding it increasingly difficult to function. Last week, News International told the unions it was willing to augment its offer to give the unions its central London plant for the production of a Labour movement newspaper.

Jobs minister sounds warning on industrial relations legacy

BY DAVID BRINDLE, LABOUR STAFF

THE VIRUS of the so-called British disease lies dormant and ready to re-emerge to wreck the UK's progress towards a true enterprise economy, Lord Young, Employment Secretary, has warned.

Many companies needed to achieve a "quantum leap" in employer-employee relations to break the stranglehold of a national legacy of enmity between the two sides of industry, he said last night in the Stockton Lecture at the London Business School.

Lord Young's speech was the first occasion since becoming Employment Secretary last year that he had dealt at length with the ques-

tion of industrial relations. It was also said in Whitehall to be a strongly personal, rather than necessarily departmental, view.

Dispensing sharp criticism of attitudes and practices of both management and unions, the minister traced back to the late 19th century the roots of what he termed the "anti-enterprise" thrust of change in the British economy.

These roots were: An education system which had little contact with, and no regard for, industry; a financial system with little concern for small businesses and new enterprises; an industrial system which sought protection from competition

at home and abroad; and an industrial relations system which put a premium on conflict and confrontation.

"The whole of our society became anti-industrial. Our society worshipped at the shrine of the gifted amateur and gentleman," Lord Young said. Though there were notable exceptions, such as Marks and Spencer and John Lewis in the retail sector, UK companies all too often still reflected this heritage and displayed inability to generate common commitment among managers and staff - a goal as palpable as breaking the sound barrier in aviation terms.

Harland wins naval ship order

HARLAND & Wolff, the state-owned Belfast shipyard, has won the bitterly fought battle with Swan Hunter on Tyneside, north-east England, for the contract to build a naval support ship worth over £100m.

After lengthy delays, the Government has decided that an order for only one ship will be placed now, rather than for two ships as previously expected.

A House of Commons statement, expected later this week, will confirm that the order will go to Harland & Wolff in preference to the recently privatised Swan Hunter on the grounds of both price and design. This is despite allegations by MPs in north-east England that the Harland & Wolff bid was not fair because of cross-subsidisation.

Swan Hunter is being told that it may still obtain the contract for the second naval support ship, known as an auxiliary oiler replenishment vessel, provided that its price can be reduced to match that of Harland & Wolff and that its design package is also in line.

The decision in principle in favour of Harland & Wolff was taken last week.

Special Subscription Delivery Service of the Financial Times in MILAN

For further information contact Intercontinental S.r.l. Milan Tel: (02) 688 7041 Telex: 330467



Jail staff lessen threat of industrial action

BY DAVID BRINDLE

LEADERS of the Prison Officers' Association (POA) said last night that the Government had moved part of the way to meet their concerns over staffing levels and to avert the threatened industrial action in jails in England, Wales and Northern Ireland.

This followed a letter to the union from Mr Douglas Hurd, Home Secretary, in which he apparently set

led the POA's fears over negotiations of staffing levels under the new decentralised budgetary control in the prison department.

The union said it was still seeking assurances on the status of existing agreements with the Home Office. Until this point was satisfied, with talks expected to resume today, the threat of industrial action would not be lifted.

Employers press case for EMS

BY HAZEL DUFFY

THE GOVERNMENT'S policy on interest and exchange rates is the subject of growing dissatisfaction among members of the Confederation of British Industry (CBI).

Sir James Clesminson, CBI president, said yesterday that the Government would reduce the volatility of exchange rates if it went fully in to the European Monetary System

(EMS). The ideal opportunity for joining would have been just after the budget.

Since that chance had been missed, he said that Britain should join as soon as possible, and certainly before taking over the presidency of the European Community at the beginning of June.

This would induce greater confidence in the business community in going for new export markets, and would be particularly helpful for smaller companies which find it difficult to cope with the volatility of European exchange rates as well as that of sterling against the dollar. Joining the EMS would also have the effect of bringing down interest rates even more quickly.

"I fly it too."

"It may be 'The Businessman's Airline. But speaking as a woman, I like it just fine. It really does have everything I'm looking for in an airline: punctuality, reliability, first rate meals and professional service. And, on top of it all, everything is presented in such a simple, efficient and pleasant manner."

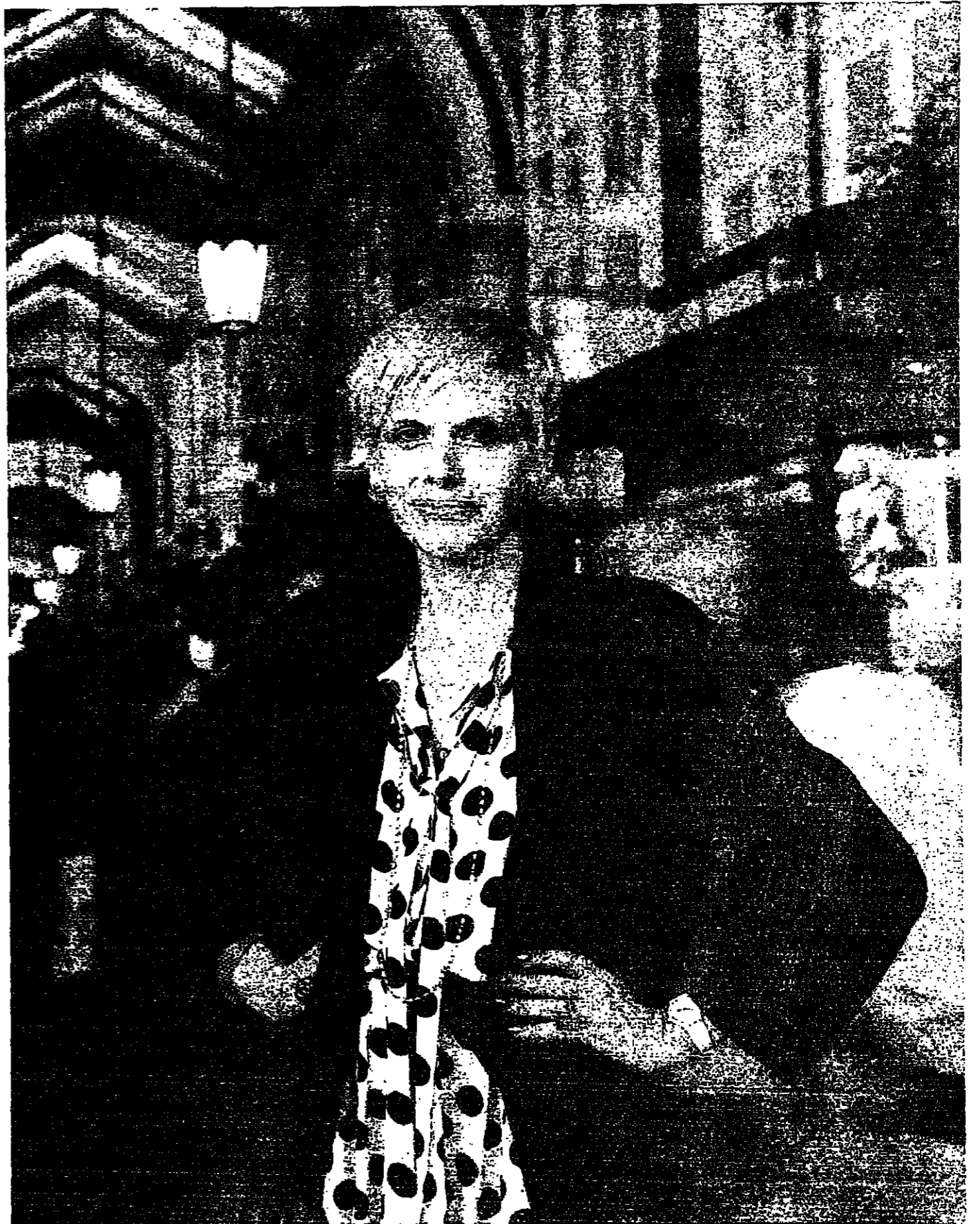
"The more I travel, the more I appreciate SAS."

"There is only one thing I really miss. I wish they flew to more places."

MARY GOSTELOW
AUTHOR AND TRAVEL WRITER, LONDON.
450 FLIGHT HOURS A YEAR.



SAS EuroClass and First Business Class. More legroom. Wider, more comfortable chairs. Fewer seats abreast for more elbowroom. A separate cabin. First Class meals, free drinks, wine and champagne. Access to Scanorama Lounges at 18 airports around the world. All for the normal economy fare. The Businessman's Airline. Not for men only.



UK NEWS

Directors' earnings 'rise to average of £42,000'

BY MICHAEL DIXON

DESPITE pay rises averaging 9 per cent for British managers last year, the typical chief executive's differential over the male manual worker is only marginally higher than in 1975, according to the British Institute of Management's pay survey published yesterday.

The survey, covering 23,411 managerial staff in 368 manufacturing and service companies throughout Britain, shows that on average directors' earnings rose over the 12 months to January by 9.7 per cent to £42,098. Other managers had a 9 per cent average increase to £19,544.

Meanwhile, overall earnings rose by 7.3 per cent and the retail price index by 6.1 per cent.

The typical chief executive's gross earnings - including cash bonuses as well as salary - were £81,547 in January, or 6.8 times the male manual worker's earnings of £12,000. In 1975 the chief was 7.1 times better off in gross terms.

In net terms, allowing for national insurance contributions and tax for a married person with two chil-

dren, the chief's average of £33,805 was 4.6 times the male manual worker's £7,246. In 1975 the chief had 4.5 times more take-home pay, at £8,290 compared with the manual worker's £2,000.

The average net pay of managers other than directors, calculated on the same basis, was 1.9 times higher than that of the male manual worker - virtually the same differential that prevailed under the Labour Government 10 years before.

While the directors' and managers' average pay rises in 1985-86 outstripped the increase in overall earnings, the difference was accounted for by incentive bonus payments rather than rises in basic salaries.

Sir Peter Parker, the British Institute of Management chairman who launched the survey in London yesterday, said that about two in every five of the managerial staff covered by the study were now paid partly by bonuses tied to their individual performance, company results or a combination of both.

He endorsed the Chancellor of the Exchequer's view that workers in general should be paid in line with the performance of their employing organisations. It was the best way companies had of reconciling the need to keep overall pay increases below the rise in prices with the need to offer sufficient rewards to attract able people into management.

"Even so, the generality of managers - particularly in industry - are still relatively poorly paid in contrast with the glittering prizes of the City of London and much higher rewards overseas. Compared with the Big Bang, we are really only a whimper," Sir Peter said.

"Unless this position is remedied the career of management will fail to attract those of the highest calibre and the whole country will pay the price."

BIM National Management Salary Survey 1986, including Small Business Review. Available from Information Economics, 51 Portland Rd, Kingston upon Thames, Surrey KT1 2SH. £165.

City criticised for reluctance to invest in tourism industry

BY JAMES McDONALD

FINANCIAL TIMES CONFERENCE
TOURISM

THE APPARENT reluctance of the UK financial institutions to invest in the tourism industry was criticised yesterday by Mr Duncan Bluck, chairman of the British Tourist Authority and of the English Tourist Board.

"The prevalent view of tourism in the City (of London) appears to be that it is a lightweight, high risk and low return industry," he said. "We are working hard to change this misconception."

Mr Bluck was speaking at the start of a two-day Financial Times conference in London on the prospects for tourism in Britain. He compared the difficulties of forecasting the future with the "exact science" of hindsight.

"Some events, like the royal wedding in July, will give us good coverage on television and in the media. Others, like the recent terrorist attacks in the eastern Mediterranean and the recent American action in Libya, will undoubtedly have an adverse effect on tourism flows."

Mr Bluck said that he was hopeful that Britain would not suffer too much "from the predicted reluctance of Americans to travel to Europe." He said: "In any event, we have been wise enough to spread our market sources in order to minimise the effect of a downturn in any one tourism market - even though North America is, of course, our biggest single market."

Last year, nearly 14.6m visitors came to Britain, spending £5.5bn. "We forecast visitor traffic from overseas to be at least 20m by 1992," Mr Bluck said. "If we assume an av-

erage annual inflation rate of 5 per cent, then we could almost double earnings from overseas visitors by 1992."

Mr Walter Goldsmith, group planning and marketing director of Trusthouse Forte, chaired the conference. He regretted the opportunity lost to the tourism trade in the sinking of the Shops Bill, which would have ended restrictions on Sunday trading.

The time must also have come for relaxation of alcohol licensing laws in England and Wales, he declared.

Central government and local authorities could, he maintained, improve the planning approval process for tourism development. Mr Goldsmith said: "We are in a very good position to attract investment."

Professor Rik Meilik, a director of Horwath & Horwath, hotel consultants, gave an economic breakdown of the importance of tourism to the British economy. On his own estimates, he found that direct employment in UK tourism last year totalled 1.05m, a rise of 20,000 employees over the year.

Mr Jon Hills, a partner in Pannell Kerr Forster, discussed if the

British tax structure helped or hindered the UK tourist industry.

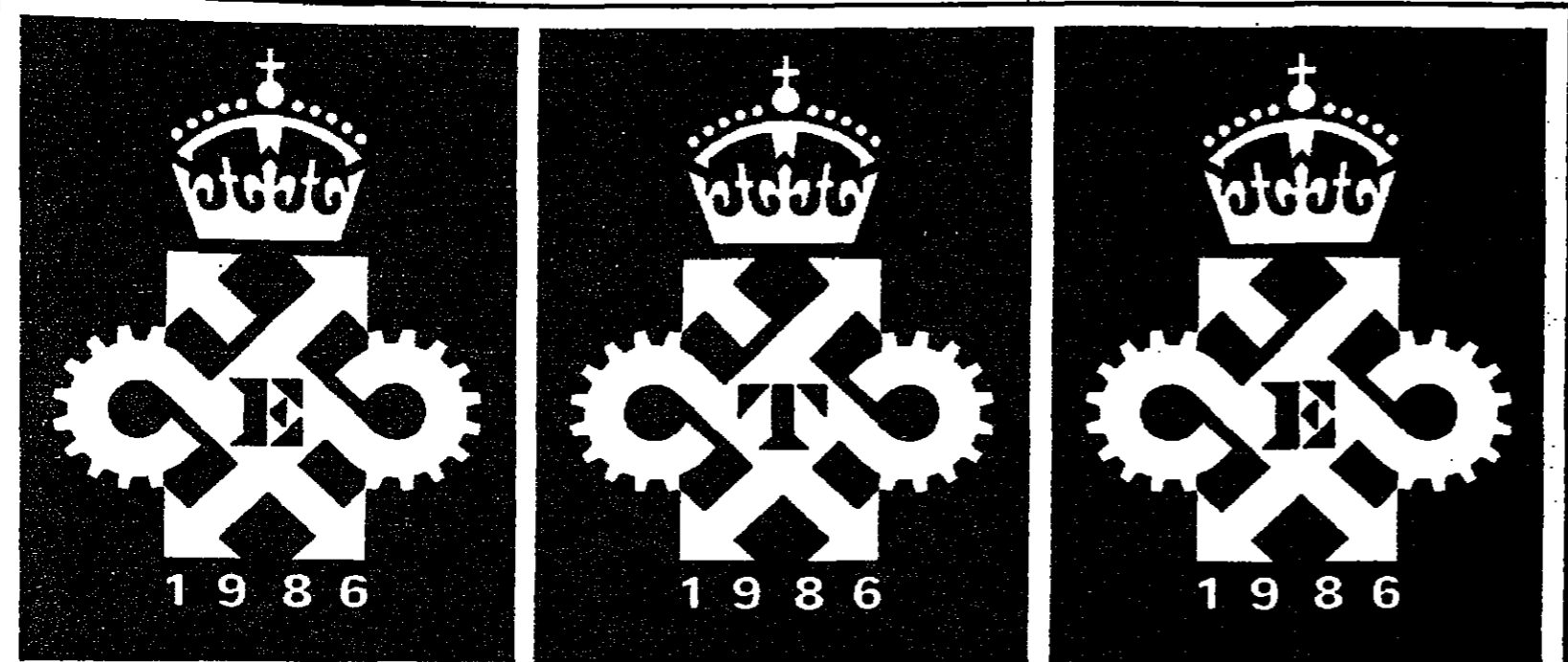
"To the extent that taxation is a factor at all, I believe our system encourages investment from abroad in the hotel and tourism industry," he said.

"Whether or not one can go on to say that a flood of investment from abroad is good for British tourism, is quite another matter."

Mr Peter R. Tyrre, managing director of Gleneagles Hotels, told the conference how Gleneagles Hotel in Scotland and two Edinburgh hotels had been restructured and remarked: "Gleneagles Hotel itself required a total rethink. A hotel for dowager duchesses is not much good if you want to make any money out of it, pleasant though it may be to run." More bedroom and more water facilities had to be created.

Mr Peter Roberts, chairman of Aspect Leisure, spoke of the venture capital role in the growth of tourism. "The evidence to date would appear to indicate that, while there is increased activity on the tourism and leisure company development side, there is a proportionately decreasing amount of both private and institutional finance being invested in genuine venture capital business."

Other speakers yesterday included Mr Max DeLong, a leisure analyst at James Capel & Co, speaking on investment in the tourism industry in the UK, and Mr John L. Broome, chairman and chief executive of Alton Towers. He spoke of modern trends in tourism, including the theme park.



DAVY - WINNERS IN TECHNOLOGY AND EXPORTS.

Davy Corporation is proud to have won three more Queen's Awards for Technological and Export Achievement.

Davy McKee (Poole) for Export Achievement and for Technological Achievement.

And Davy Forge for Export Achievement.

Making a total of 19 Queen's Awards for Davy in the last 20 years.

Davy Corporation - technology worldwide.



15 PORTLAND PLACE LONDON W1A 4DD
TELEPHONE: 01-637 2821

This announcement complies with the requirements of the Council of The Stock Exchange

THE BOC GROUP

THE BOC GROUP plc

(Incorporated in England under the Companies Acts 1962 to 1983)

U.S.\$100,000,000
8 1/8 per cent. Bonds due 1996

Issue Price 99 1/2 per cent.

Interest payable annually on 14th May

The following have agreed to subscribe or procure subscribers for the Bonds:

Swiss Bank Corporation International Limited

Credit Suisse First Boston Limited
Lloyds Merchant Bank Limited

Deutsche Bank Capital Markets Limited
Nomura International Limited

Salomon Brothers International Limited

Algemene Bank Nederland N.V.
Bankers Trust International Limited
Chase Investment Bank
Crédit Commercial de France
Lazard Brothers & Co. Limited
Samuel Montagu & Co. Limited
S. G. Warburg & Co. Ltd.
Wood Gundy Inc.

Banca del Gottardo
Baring Brothers & Co., Limited
County Bank Limited
Crédit Lyonnais

LTCB International Limited
J. Henry Schroder Wagg & Co. Limited
Westpac Banking Corporation
Yamaichi International (Europe) Limited

Application has been made for the 8 1/8 per cent. Bonds due 1996 to be admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the temporary Global Bond.

Interest is payable annually in arrear on 14th May, the first payment being made on 14th May, 1987.

Particulars in respect of the Bonds are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 25th April, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 7th May, 1986 from:

The BOC Group plc
Chertsey Road
Windlesham
Surrey GU20 6HJ

Greenwell Montagu & Co.
Bow Bells House
Bread Street
London EC4M 9EL

Swiss Bank Corporation
International Limited
Three Keys House
130 Wood Street
London EC2V 6AQ

Swiss Bank Corporation
P.O. Box 14
99 Gresham Street
London EC2P 2BR

23rd April, 1986



Società Italiana per l'Esercizio delle Telecomunicazioni p.a.

Registered Office in Turin
Share capital Lit. 3,000,000,000 fully paid

Registered at Turin Court n. 131/17 of the Register of Companies

NOTICE CONVENING THE ANNUAL GENERAL MEETING

The Shareholders are hereby notified that the Annual General Meeting will be held in the Conference Room of the Company's Headquarters in Via Bertola 34, Turin, at 9. a.m. on April 30, 1986 and, if necessary, a second meeting will be held on May 7, 1986 at the same time and place, to discuss and resolve upon the following:

AGENDA

1. Board of Directors' Report and Board of Statutory Auditors' Report on the Financial Statements as at December 31, 1985; pertinent motions.
2. Remuneration to Auditors for the financial year 1985.
3. Appointment of a member of the Board of Statutory Auditors; indemnity to Directors and Statutory Auditors.

The Shareholders shall have the right to participate in the Meeting provided that, at least five days before the date established for the Meeting, they have deposited their share certificates with the company's Registered Office, Via San Dalmazzo 15, Turin, or Via Flaminia 189, Rome, or with STET - Società Finanziaria Telefonica p.a., Via Bertola 28, Turin, or Corso d'Italia 41, Rome, or with any other duly-authorized department in Italy.

Such a deposit could be performed as well with the following:

- London: Banca Commerciale Italiana - 42, Gresham Street
Banca di Roma - 14/18 Eastcheap
Credito Italiano - 17, Morgate
- New York: Banca Commerciale Italiana - One Williams Street
Banca di Roma - 100, Wall Street
Credito Italiano - 375, Park Avenue
- Paris: Banca Nazionale del Lavoro - 26, Avenue des Champs Elysées
- Frankfurt am Main: Istituto Bancario S. Paolo di Torino - Schillerstrasse, 26

Gruppo IRI-STET

For the Board of Directors
Michele Giannotta

UK NEWS

Japan to keep limit on share of car market

BY JOHN GRIFFITHS

UK AND JAPANESE motor industry representatives ended two days of talks in London yesterday in which Japan accepted continuation of the "gentlemen's agreement" that restricts the Japanese share of the UK new-car market to about 11 per cent.

The Society of Motor Manufacturers and Traders told its counterpart, the Japanese Automobile Manufacturers' Association, that it expected the new-car market this year to drop slightly from last year's record level to around 1.82m units, with a further fall to 1.785m units in 1987.

Despite suggestions from Nissan's privately owned UK importer, Nissan UK, that it would have 135,000 units "available" for sale this year - an increase of nearly a third over 1985 - it was made clear that no change in the gentlemen's agreement was in prospect to accommodate such an increase.

JAMA also confirmed that it had no intention at present of seeking

to export heavy commercial vehicles - those of over 3.5 tonnes - to the UK. The informal industry-to-industry agreement, now in its 11th year, restricts commercial imports to vehicles under 3.5 tonnes and to a share similar to that allowed for cars.

One positive note for the UK's components industry arose from the talks. Mr Tasakashi Ishihara, president of JAMA, said the strong rise of the yen presented opportunities for "worthwhile" contacts between Japanese manufacturers and UK suppliers.

UK component makers have frequently voiced disillusionment with previous trade missions to Japan. But the strengthening yen and the setting up by Nissan of its car assembly plant at Washington in north-east England, which produced its first pilot production vehicle yesterday, appears to have improved prospects for missions planned for later this year.

Fears of terrorist blow to tourist trade

BY KEVIN BROWN

FEARS OF European terrorism could lead to a drop in the number of US tourists visiting Britain this year, Mr Kenneth Clarke, the Paymaster General told the House of Commons yesterday.

Mr Clarke was replying at question time to Mr Robert Adley (Conservative), who said Americans seemed to consider Britain as a "cauldron of seething unrest."

Mr Adley went on: "Would you ask the tourist authority to point out bluntly that if Americans really want an unsafe holiday surrounded by violence, the best thing to do is to go to Florida?"

Mr Clarke told MPs: "At present there is a wave of feeling that it is not safe to visit Europe and this could lead to a drop in the number of visitors coming here."

"But I think that a concerted attempt to control terrorism, at airports in particular, will do more than anything else to reassure American visitors."

Mr Clarke said the British Tourist Authority had briefed overseas travel trade representatives and journalists in an attempt to reassure them that "our airport security is good and remains higher than in the US."

Biogen patents arthritis drug in West Germany

BY DAVID FISHLOCK, SCIENCE EDITOR

A TREATMENT for rheumatoid arthritis involving the latest form of interferon, gamma interferon, has been patented in West Germany by Biogen, the international biotechnology research company.

Biogen said yesterday that it hoped to bring its new treatment to the market in Germany this year, at a cost comparable with that of present drugs for rheumatoid arthritis.

Mr Jim Vincent, Biogen's chairman and chief executive, said his company also expected to secure patent protection on this novel use of interferon as an anti-inflammatory drug in the US and Britain.

The company had already tried

the treatment on 250-300 patients in the US and Germany, he said. Its use as an anti-inflammatory arose from chance observations of its effects on patients being treated with gamma interferon for cancer.

Biogen had pursued the observation, even though it had no scientific basis at the time to account for the relief which patients experienced, Mr Vincent said.

In recent months the company had mounted a broader research programme into anti-inflammatory mechanisms, and was beginning to put the observation on a more scientific footing, he said. "This is making all of us much more

comfortable." Several research papers should be published this summer.

The basis of its clinical trials has been the treatment of patients already being treated with another anti-inflammatory, so that a judgment can be made whether the additional use of gamma interferon produces a significant improvement. Mr Vincent claimed that it was the stiffest test that a drug could be given.

Dose levels administered in the trials had been well below the levels used in treating cancer patients, at doses where side-effects were proving "minimal to non-existent."

Cyanamid backs Celltech venture

BY OUR SCIENCE EDITOR

AMERICAN CYANAMID, the US chemicals and pharmaceuticals group, is spending £5m with Celltech, the British biotechnology research company, on the first phase of a major new initiative in cancer therapy.

The company is backing Celltech's ideas for a second generation of monoclonal antibodies, created by genetic engineering instead of being cultured from natural tissue, as is done at present.

The aim of these genetically

engineered agents will be to provide vehicles which will carry drugs or radiation directly to the tumour, minimising their damage to other parts of the patient. American Cyanamid has a strong presence in Britain where it employs about 1,500. Its Lederle Laboratories division has a range of drugs for cancer treatment and has been researching monoclonal antibodies for the past four years.

The company says it is strongly committed to Celltech's ideas for a

new generation, and regards its £5m investment as a start to a long-term collaboration which may bring its first products to the market by the early-1990s.

Celltech already has strong connections with the Medical Research Council's Laboratory for Molecular Biology in Cambridge, where monoclonal antibodies were discovered in 1975, and which is still in the vanguard in some aspects of genetic engineering.

FREE FROM CUNARD. YOUR WIFE'S FARE TO NEW YORK ON QE2. AND \$400 TO PUSH THE BOAT OUT IN BLOOMINGDALES.

Never has a New York shopping spree been such a bargain. For the price of one QE2 fare to New York and one air ticket back we'll give you a double cabin and two air tickets back.

We'll also give you vouchers to spend in New York's most glamorous department store, Bloomingdales. \$400 worth if you travel QE2 First Class, and \$250 if you travel QE2 Transatlantic Class.

The offer applies whether you take your wife, husband or friend on any of the twenty-two Atlantic crossings QE2 is making this year.

Prices start from £1630 for two and for just £799 extra each, you can even fly Concorde one way.

For full details, contact Cunard, 30A Pall Mall, London SW1Y 5LS (Tel: 01-491 3930) or see your travel agent.



QUEEN ELIZABETH 2
A member of the Trafalgar House Group.

THE WINDOW OF OPPORTUNITY HAS JUST OPENED ON INTEREST RATES. HAPPILY, THERE'S NO CATCH.

Doubtless you've noticed that gilt-edged yields have fallen to their lowest levels for over ten years.

Added to which, medium-term fixed rates can actually be lower than today's variable rates.

We believe, therefore, that a rare opportunity exists for companies of every size to put part of their borrowings onto an advantageous fixed-rate basis.

To back our belief, we've just floated a £100 million sterling eurobond issue.

However, to make this opportunity even more attractive, we've devised a package that doesn't lock you in for any longer than you want.

Quite simply, it offers you a 10-15 year loan package with the first 3 to 5 years at a fixed rate.

After that period, you can choose between the then ruling fixed rate or switch to variable.

We call it the Reverse Droplock (not very elegant but it works).

Having specialised in fixed interest loans for forty years, our experience is far from limited.

And nicely complements our other role as the world's largest source of venture capital.

Either way, you'll find us a breath of fresh air.

THE CREATIVE USE OF MONEY.

TO FIND OUT MORE, CONTACT ANDREW FULLERTON-BATTEN OR MALCOLM GLOAK, INVESTORS IN INDUSTRY PLC, 91 WATERLOO ROAD, LONDON SE1 6NP. TEL: 01-287 7822.

Charitable Chancellor?

In this year's budget the Chancellor has provided new opportunities for companies, and their staff, to support charities of their choice, at home and overseas.

Through Oxfam your company, or employees, can help some of the third world's poorest people to build a better future for themselves.

To find out how your company can effectively meet its social responsibility write for Oxfam's briefing pack, to:

Sam Clarke
Director of Fundraising
Oxfam
274, Banbury Road
Oxford OX2 7DZ

Oxfam works with poor people in their struggle against hunger, disease, exploitation and poverty in Africa, Asia, Latin-America and the Middle East through relief, development, research and public education.



STAY WITH MICHELANGELO AT THE VILLA SAN MICHELE, FLORENCE

With enormous foresight this legendary architect was engaged nearly 500 years ago to create the beautiful convent of San Michele, alla Doccia perfectly situated just below Etruscan Fiesole. Surrounded by its gardens and woodland it enjoys breathtaking views over Renaissance Florence and the Arno valley.

Tastefully transformed, the Villa San Michele is now a unique luxury hotel with only 30 rooms. Full of history and antiquities it offers hedonistic comfort, tranquility and timelessness. It is a sister hotel to the Cipriani in Venice and the cuisine is superlative. Naturally there is every amenity as well as complimentary luxury transport to the centre of Florence 15 minutes away.

Where better to enjoy a week in Spring which is firmly under way? If our Golf or Short Break programmes might interest you please inquire about our Italian Interludes.

HOTEL VILLA SAN MICHELE
As special as Florence itself.
For reservations contact your travel agent or
"The Leading Hotels of the World"
Telephone 0 800 161 123.



UK NEWS

R-R lifts aero-engine profit to £81m ahead of flotation

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE, the state-owned aero-engine maker, earned a record pre-tax profit of £81m last year - more than treble the 1984 figure of £26m.

The figures, which show that the company is gaining maximum benefit from expanding world markets, especially for civil engines, indicate that the business is strongly on course for privatisation early next year.

Turnover expanded last year to just over £1.6bn, about 14 per cent more than the 1984 level of over £1.4bn. Operating profit was up 30 per cent to £81m. At the end of the year, the order book stood at over £2.6bn and has been rising in the early months of 1986.

Analysis of turnover and profits shows that military aero-engines still dominate the company's activity, accounting for £75m of turnover and £110m of operating profits, compared with £75m and £11m respectively in 1984.

Civil engine sales have surged, however. In 1985, they accounted for £377m of total turnover, against £448m in the previous year, and for £73m of total operating profit, against only £39m in the previous year.

Industrial and marine engine activities accounted for £145m of turnover and £20m of operating profit, while other activities, such as nuclear engineering, accounted for £145m of turnover and £8m of operating profit.

The company attributes its success in world civil and military aero-engine markets to several factors. One is that it has made big efforts to widen the portfolio of different engine types that it offers world airlines and air forces, either by direct development by itself or through collaborative ventures with other companies.

Rolls-Royce has done well, for example with the new Tay civil jet engine for 100-seater and other small airliners, which is solely the company's own venture.

At the same time, it has increased its collaborative ventures, which now include work on the US General Electric CF702 high-thrust engine for the Boeing 747 Jumbo jets and other aircraft and the International Aero Engines V-2500 medium-to-high thrust engine for the Airbus A-320 and other airliners.

This broader product range has already helped the company to increase its share of the world market for civil engines, which now stands at about 24 per cent (the rest being shared mainly between General Electric and Pratt & Whitney of the US). The company's aim is to push this share up to about 30 per cent.

The company holds about 18 per cent of the world military aero-engine market, especially with such power-plant as the Pegasus vertical take-off engine in Harrier jets for the US, Spanish and UK air forces, and the RB-199 collaborative engine

Rolls-Royce will seek a substantial increase in its share capital at the same time that it is privatised, Sir Francis Tombs, chairman, said yesterday. Current share capital, all government-owned, is £150m of which £127m is issued.

"We are completely ready for privatisation and the earlier we are privatised, the better," he said. "We are keen for it to happen, and we are convinced that we can stand on our own feet, free from the Government's embrace. We believe there are important opportunities open to us in the private sector, the natural and desirable place for Rolls-Royce."

The company will be registered as a public limited company on May 1, as the necessary pre-requisite for flotation. "Greatly improved as our performance is, there remains considerable scope for further advances," Sir Francis said.

for the Anglo-West German-Italian Tornado combat aircraft. Rolls-Royce aims to push this market share up to over 20 per cent.

The company has also done much to improve its overall efficiency. It has cut its labour force during the 1980s by about a third, to the current level of 41,700, where it is likely to stabilise.

It is concentrating increasingly on research and development (R&D). Spending on R&D in 1985 was up to £234m compared with £227m in 1984, and about the same will be spent this year. Much of this came from the Government, under defence contracts and through launch aid on civil ventures, but some £100m came from the company's own resources.

Much of this money has gone on advanced technology, which Rolls-Royce believes to be the key to the long-term future of aero-engine development.

It has adopted the system of building "demonstrator" engines to reduce individual programme costs. These prove the effectiveness of advances in technology before they are applied to large engines and committed to full-scale development and production.

Advanced engines now under development are the RB-550, a new small turbo-prop engine for military helicopters, a new version of the Pegasus VTOJ engine, and a new military engine, the XG-40, which is expected to be the forerunner of the engine for the projected multinational Eurofighter.

The company is also working hard on the new "prop-fan" types of engines, in which new designs of propellers and gas-turbine engines are combined to give substantial improvements in fuel consumption compared with current jet engines.

WITHOUT THE RIGHT TRAINING FINDING A JOB CAN BE LIKE RUNNING INTO A BRICK WALL.

ACTION OPENS DOORS

It isn't easy to get a job if you haven't got a skill to offer. But industry is looking for people who have acquired the necessary skills, or who are ready to get those skills. Industry is glad to open its doors to them.

That's why you should pick up the 'Action for Jobs' booklet as your first vital step to pushing those doors open.

The booklet describes a wide variety of schemes to support more and better training - probably more training and re-training

schemes than you ever thought existed.

They are there for people prepared to acquire the skills that industry needs, and for those industries willing and far-sighted enough to provide training and re-training for their workforce.

If you'd like to know more about these schemes, pick up the 'Action for Jobs' booklet at your main Post Office, local Jobcentre, or Unemployment Benefit Office. Or send in the coupon below.

ACTION FOR JOBS

SCHEMES FOR TRAINING
YTS, Job Training, Training for Enterprise Access to Information Technology, Training Grants for Employers, Wider Opportunities Training Programme, Open Tech Programme.

Programmes by the Department of Employment and the Manpower Services Commission.

To: Action for Jobs, FREEPOST, Curzon House, 20-24 Lonsdale Road, London NW6 1YP. Please send me the 'Action for Jobs' booklet. (Not all these schemes apply in Northern Ireland. If you live there you should contact your local Jobmarket for further details.)

Name _____
Address _____
Postcode _____

MIDLAND SAVINGS

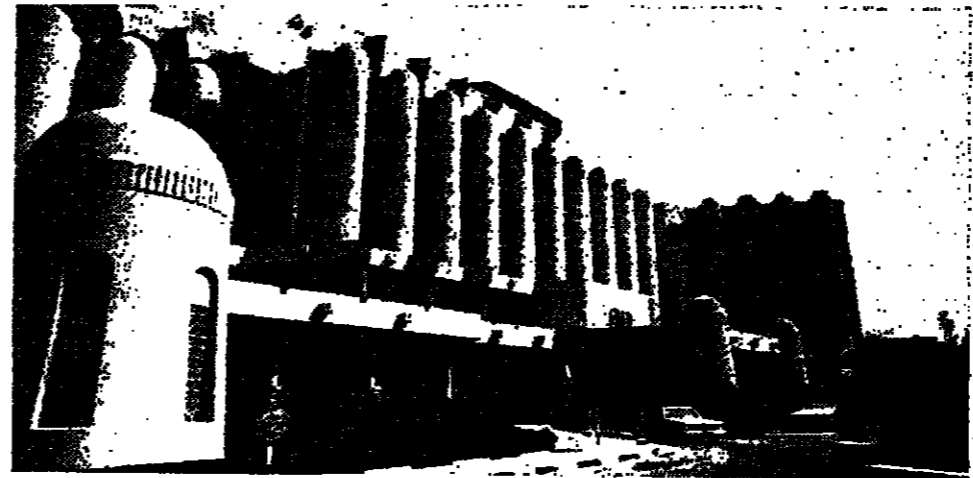
Notice to Account Holders

Gross Interest % p.a.	Midland Savings Accounts	Net Interest % p.a.	Gross Equivalent to a Basic Rate Taxpayer % p.a.
With effect from 21st April 1986			
6.35	Deposit Account	4.75	6.69
9.36	Monthly Income Account	7.00	9.86
9.03	Griffin Savers	6.75	9.51
Saver Plus			
7.02	£100+	5.25	7.39
8.03	£500+	6.00	8.45
9.16	£1000+	6.85	9.65
With effect from 19th May 1986			
6.35	Save and Borrow credit balances	4.75	6.69



Midland Bank
Midland Bank plc, 27 Poultry, London EC2P 2BX

COME TO THE GULF



COME TO SHERATON

When you travel to one of the world's most important business centers, you expect the finest in hotel accommodations. Like so many travelers to the Gulf, you choose Sheraton. For key locations near commercial, government and shopping districts. For 24-hour room service, special executive services and the latest conference facilities. For superb dining and entertainment. For refreshing pools and health clubs. Sheraton hospitality and services are valuable resources on successful business trips. When you come to the Gulf, come to Sheraton.

ABU DHABI, U.A.E., ABU DHABI SHERATON
DOHA, QATAR, DOHA SHERATON HOTEL
DUBAI, U.A.E., DUBAI SHERATON HOTEL
KUWAIT CITY, KUWAIT, KUWAIT SHERATON HOTEL
MANAMA, BAHRAIN, BAHRAIN SHERATON
MUSCAT, OMAN, OMAN SHERATON HOTEL (NOW OPEN)
RIYADH, SAUDI ARABIA, ATALLAH SHERATON

Sheraton
The hospitality people of
ITT
CALL US - FREE IN THE U.K.
0800-35.35.35
Or your Travel Agent.
Outside the U.K. call your nearest Sheraton Hotel. Reservations Office or your Travel Agent.

Frigg dispute hits gas supplies to industry

BY MAURICE SAMUELSON

SUPPLIES TO more than a 10th of British industrial gas users were cut off yesterday because of the continuing industrial action by workers on the North Sea's Anglo-Norwegian Frigg field which normally provides about a third of the UK's daily gas consumption.

By last night, the cuts affected about a third of the industrial companies whose "interruptible" contracts entitle the British Gas Corporation to divert supplies at short notice to domestic, commercial and other industrial gas users who rely on continuous supplies.

The scale of yesterday's interruptions was caused by unseasonably cold weather, which raised demand to about 5.5bn cu ft compared with average daily demand for this time of the year of about 5bn cu ft and

the Frigg field's output of about 2.6bn cu ft.

Interruptions on a more modest scale were introduced when the Frigg dispute began on the Norwegian part of the field three weeks ago.

British Gas points out that its interruptible customers - accounting for 40 per cent of its industrial market - are able to switch immediately to other fuels, such as heavy fuel oil, gas oil or coal.

It is also able to replace some of the Frigg production from other sources, such as the Morecambe Bay field, the storage facilities in the North Sea's Rough Field project and in salt cavities at Hamsay, Humberside, and liquefied natural gas tanks throughout the country.

Spanish royal couple begin British visit

BY ROBERT GRAHAM

KING JUAN CARLOS and Queen Sophia of Spain yesterday began a three-day state visit to Britain, the first by a Spanish monarch since 1905. The visit sets the seal on improved Anglo-Spanish relations, frequently soured in recent years by the issue of sovereignty in Gibraltar.

The King and Queen were met at Heathrow airport by the Prince and Princess of Wales. Normally such a senior member of the royal family does not welcome a visiting head of state, and yesterday's presence of Prince Charles was intended to underline the close blood ties between the Spanish and British royal families.

It was also a gesture to reconcile differences that arose over the Prince and Princess of Wales' decision to begin their honeymoon in 1981 in Gibraltar - a decision which led King Juan Carlos to call off the

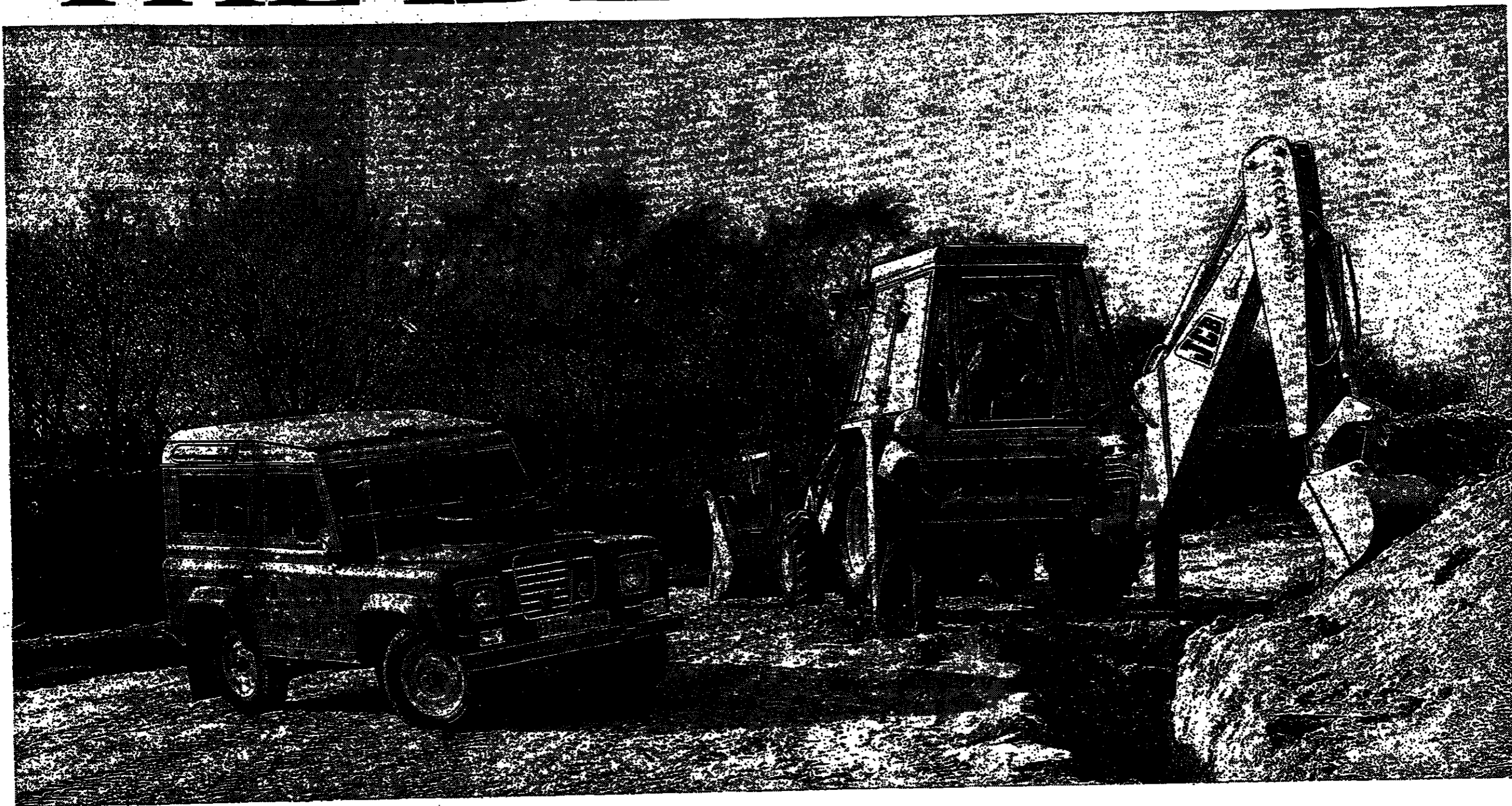
Spanish royal family's attendance at the wedding.

Security has been tightened for the visit because of threats of retaliation from Libya after last week's US bombing raid on Benghazi and Tripoli. King Juan Carlos and Queen Sophia are staying with the Queen at Windsor Castle where last night a banquet was hosted by the Queen.

Today, the King is due to address both Houses of Parliament in the time a foreign monarch has been invited to do so.

Mr Francisco Fernandez-Ordóñez, the Spanish Foreign Minister, who is accompanying the royal couple, will be having informal talks with his British counterpart, Sir Geoffrey Howe. These are expected to focus on ways to unlock negotiations on the joint use of Gibraltar airport.

JCB & LAND ROVER THE IDEAL MATCH



Remarkable compatibility.

The common ground that exists between JCB and Land Rover is remarkable.

Both companies sell rough terrain products to agriculture and construction. Both sell to the military, to local authorities and to governments.

Both are engineering based manufacturers and both are major exporters of capital goods.

And, if that isn't enough, both are based in the Midlands and are proudly British.

But, there is one very big difference indeed.

JCB is strong where Land Rover is weak.

JCB made a profit of £25 million in 1985.

JCB has never made a loss in 40 years' trading.

JCB doesn't have any net borrowings.

JCB takes over 50% of its UK market (and has done so for 22 years).

JCB is strong in Europe and the USA.

JCB's world share is growing fast.

JCB. The obvious choice.

Over the last 10 years, JCB's average return on investment has been 27% per annum and, in the last five years alone, it has virtually doubled its sales value. This has been achieved by combining superb product design and manufacturing excellence with aggressive and skilful marketing.

JCB is not looking to make a quick killing from a flotation on The Stock Exchange. JCB intends to keep Land Rover, and ensure that it has a successful, long-term future.

And, most important of all, JCB has a proven, and relevant formula for success to bring to Land Rover.

Distributed by Lazard Brothers & Co, Limited on behalf of J C Bamford Excavators Ltd.



Traditionally, we've been known for our shoes.

Firstly, of course, through brands like Tuf, John White and Rogues.

And later, through our first successful steps into footwear retailing.

IN THE LAST 5 YEARS WE'VE ALSO PUT ON OVER 4 MILLION SQUARE FEET.



As recently as 1980, though, we still had less than 100 shops. And square feet amounting to little more than 90,000.

So what prompted us to develop into the multi-faceted international retailer we are today?

And how did we transform into one of Britain's fastest growing retail operations in just 5 years?

The simple answer is that overall we saw the potential for great opportunities in retailing.

And then very successfully took those opportunities.

Between 1980 and 1984, for example, we built up our shoe shops into a national chain of some 400.

And successfully expanded our business overseas, particularly in the United States.

Even more recently, of course, our business has expanded even more rapidly.

We now operate Halfords, Owen Owen, Zodiac toy shops and Payless DIY.

(And a total of over four million square feet.)

Currently all of these new acquisitions are undergoing major transformations which should prove very exciting.

Halfords, for example, has already opened 18 edge-of-town superstores designed to service the ever increasing demands of the motorist.

And the acquisition of the 65 Payless DIY stores will enable us to further develop the concept of edge-of-town shopping parks.

By the end of 1985, our retail sales had shown a dramatic increase to over £250 million.

This success recently prompted Business magazine to label us an "Exciting new entrant to the high street."

And one which is "under-rated"

Indeed, we think our competitors will have to be fast on their feet to keep up with us.

WARD WHITE 

HOSTING an economic summit in what is almost certainly the year of a general election, the Japanese Government has made an intense effort to explain its economic management.

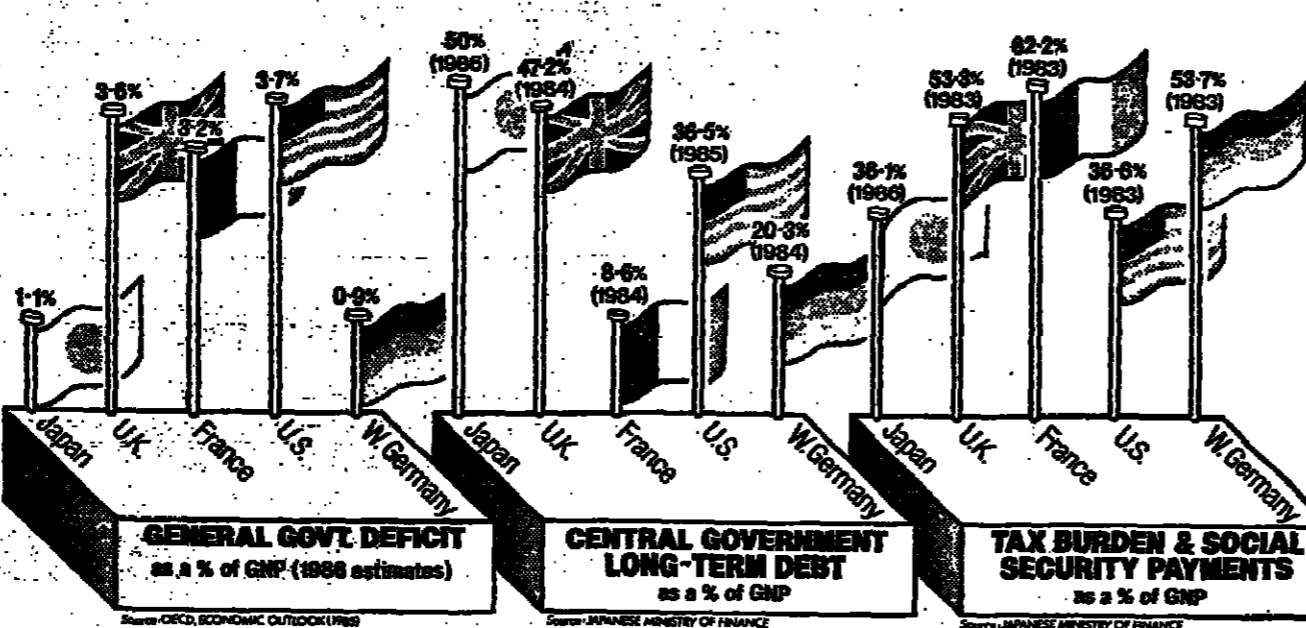
Recent weeks have seen the publication of the Maekawa report, commissioned last autumn by Mr Yasuhiro Nakasone, the Prime Minister, to take a hard look at the structure of the Japanese economy and the unveiling of another economic package designed to stimulate Japanese domestic demand.

Officials explain how Japanese industry is suffering under the 35 per cent revaluation of the Yen since last October. "Bear with us," is the general message. "We know our export dependence is a problem and that it has to change. We are taking tough medicine in the foreign exchange market and doing whatever else we can."

The country's \$50bn current account surplus is the main bone of contention. "It is impossible for Japan alone to continue to be an island of solitary prosperity, with a large current account imbalance, depending upon exports," said the Prime Minister recently in greeting the Maekawa report. The problem is that it will prove impossible to correct this imbalance without the immediate "J-curve" problem, the pattern of Japan's trade will assert itself. Seventy per cent of Japan's imports are fuel and raw materials, whose international prices are weak and which are decreasingly vital to the growth of the modern Japanese economy.

Ninety-six per cent of Japan's exports in 1984 were manufactured goods, and 70 per cent machinery and industrial equipment. How quickly will the rest of the world's appetite for these products evaporate as their prices rise? The Prime Minister's report, in greeting the Maekawa report, said that the Japanese economy is being challenged by the products of Asian NICs like Korea. But in the capital goods sector the lesson from Germany in the early 1970s, stood in the dock on charges of excessive success) was that once a reputation for quality, delivery and after-sales service is established, even of capital equipment, it is remarkably unaffected by price.

Another offsetting factor will be the reaction of the Japanese private sector itself. "Export or die" may be an outdated exhortation for the Japanese economy as a whole, but for several huge companies it remains a fact of life. In 1984 exports made up 38 per cent of Nissan's sales, 71 per cent of Honda's, 69 per cent of Sony's, 67 per cent of Matsushita's and 65 per cent of Sharp's. These are companies with life-time employment: fixed labour costs mean they cannot afford to give up such a vital element of their



Japan and reflation

Where good intentions do not yet amount to a policy

more rapidly between now and 2020 than those of its G5 partners. Within the Ministry of Finance, a singularly distinguished and old-fashioned building, in which an elite of pale, dark-skinned bureaucrats work at desks piled high with statistical ledgers, another reason for the conservative fiscal policy gradually emerged. Japan has cruelly progressive rates of income tax, but its overall tax take as a percentage of GDP is low because indirect taxes are low (see chart). European-style VAT proved politically impossible to introduce in the late 1970s. In an economy with an endemically high savings rate, tax raising and tax spending by Government would have a net stimulative effect.

consensus-building needs a push in the reform of its savings and financial system. There are two problems, directly linked. The Japanese are naturally thrifty, and are further encouraged to save, rather than spend, by tax breaks on small savings accounts. The Japanese financial system has been lopsidedly liberalised: it is easy for the world to borrow Yen at market rates but harder to invest them. The common link is Japan's postal savings system, a network of 23,000 small post offices whose total assets are as great as Japan's G5 regional banks. They can raise finance at cheap, official rates because they pay no rent or postal charges and are particularly immune from fiscal investigation. They are political dynamite because their managers are pillars and vote-deliverers in the local community. They provide the public sector with substantial quantities of cheap funds.

Until this system is asked, like the TSB in Britain, to stand on its own two feet and compete in a money market with the banking system, it will be hard to remove the fiscal breaks which underpin it and hard to allow Japanese short-term rates to be determined by market forces. The Tokyo financial centre badly needs a Japanese treasury bill market

Lombard

The tyranny of arms control

By Malcolm Rutherford

HERE ARE two hypotheses and a tentative conclusion. One of the least likely events is a nuclear war between the superpowers. The failure of the superpowers to reach agreement on nuclear arms control makes it more difficult for them to agree on other matters.

Arms control has become one of the tyrannies of our time. Hopes of success are much exaggerated: even when agreement is reached, as in Salt I, it fails to take account of developing technologies. There is always a new system in the offing while the negotiators are trying to put a ceiling on the old.

A breakdown of arms control talks is much worse. It leads to yet more competition in destructive weapons and—more important—wipes virtually every other subject off the agenda.

During the period of détente in the early 1970s, it was said that progress between the superpowers on arms control was essential to progress elsewhere: for example, in central Europe or even the Middle East. That proved to be false, partly because Salt I was not quite the show-stopper it was supposed to be and partly because events elsewhere have their own momentum. Nowadays, it is worth looking at it the other way round. If the United States and the Soviet Union can reach a closer understanding on other matters, maybe it will be easier to reach an arms control agreement later.

It is not as if nuclear war is imminent or anything like it. There is, has been for a long time and will continue to be for the foreseeable future an approximate nuclear balance of power or "rough parity."

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if the Stockton Conference on Disarmament in Europe. They could prove altogether more tractable than the great issue of nuclear weapons—that could come later.

Intellectual property

From Dr C. Oppenheim

Sir—There is a particular proposal in the intellectual property and innovation White Paper which seems to have been generally overlooked. Clause 8.13 states that "fair dealing" will no longer apply to "commercial" organisations.

"Fair dealing" is the right of someone to take a single photocopy of a single article from a journal, or a small section out of a book, for the purpose of research or private study. That idea is bad because it discriminates against commercial companies, who have legitimate reasons for wanting photocopies for research, it would be difficult to define "commercial" and it would be impossible to fairly enforce.

It has already been suggested that large companies will set up not-for-profit institutions, who will be genuine academic research establishments and who do all about copying on behalf of the parent companies. Large libraries, who carry out multiple photocopies for all and sundry will have to inquire whether the client wanting a photocopy is commercial or not—and will have to discriminate between its various clients accordingly. The definition of "commercial" will in any case cause problems.

Let us hope, therefore, that this bad idea is amongst much that is sensible, will be dropped before the Copyright Bill enters Parliament. (Dr Charles Oppenheim, 80, The Warren, Bilericoy, Essex.

Letters to the Editor

Factors of enforced unemployment

and no Government has made the slightest attempt to change this situation. Until one does, unemployment will continue to rise and the taxation system will condemn more people to the dole queues. D. G. Franklin, 121 Kensington Road, SE11

Investment by the state

From the Director, Aims of Industry

Sir—Michael Prowse's summary of the nationalisation-privatisation arguments (April 18) covers a lot of ground, but it leaves out some essential points. The return on capital invested in state industries was about one-third of the return in private industries in the 1960s. There was virtually a 50 per cent fall in the overall return in state industries. That meant that Britain was poorer than it needed to be.

The Finance Bill

From Mr J. Martin

Sir—Charles Beattie QC (April 18) must have written with tongue in cheek when he referred to the considerable volume of fiscal legislation in the last seven years and the fact that it has resulted in empire building in the revenue department. Surely the volume of tax law coupled with the fact that so much is incomprehensible—even to the experts—means that counsel's opinion has to be sought more often than at any time previously, especially by accountants and lawyers who nowadays have the additional worry of possible professional

Docklands light railway

From Dr G. Redman

Sir—The City of London Corporation is reported (April 17) as having rejected for a second time London Regional Transport's proposals for the siting of the proposed City terminal for the docklands light railway extension.

It surprises me that there has been no public comment on the feasibility of re-routing the Waterloo and City line so as not to terminate at Bank but to run along Cannon Street (with a station there, connected by an underground travelator to the Bank) and provide a through route with the docklands light railway. This would enhance the status of the Waterloo and City line (which in any case is overdue for refurbishment and renewal of rolling stock) at a time when Waterloo station is destined to become the terminal for trains using the Channel tunnel to the Continent.

Spending on research

Imperial Cancer Research Fund

From the Secretary, Sir—Sadly neither the Cancer Research Campaign nor the Imperial Cancer Research Fund spend such a high proportion of our incomes on research as you quoted on April 16 (100 per cent and 95 per cent respectively). We both quote the actual percentage in our advertisements. For us it is 93.1 per cent and for the CRC it is 92 per cent. In both cases, the remainder has to be spent actually raising more money and on basic administration. As a matter of fact, these expense ratios place us both very high on the list of effective fund raisers. (Major General) A. W. Dennis, PO Box 123, Lincoln's Inn Fields WC2.

How the aluminium people keep fresh salmon fresh for 63 hours

Dependable air freight for perishable products has always been a headache for the world's food producers. Now the problem has been solved. In collaboration with SAS and Frigotainer, ASV has developed an air freight container based on an insulation technique that makes it safe for perishable products to be freighted long distances.

The temperature inside the container can be kept virtually constant for as long as 63 hours—even at an ambient temperature of +20°C/70°F!

The world's leading airlines use ASV air freight containers

A standing programme of materials research and development, combined with ASV's collective experience and know-how in the aluminium industry, has put us in a dominant position on the world market. Also when it comes to air freight containers, ASV's research and development work has come up with a design that, taking advantage of the lightness and strength of aluminium, has produced the lightest and strongest containers on the market. What's more, they also satisfy the extremely strict safety requirements of the world's leading airlines.



ASV develops air freight containers and markets them to the world's leading airlines. Here, in front of one of the containers, Director Tom Laeggaard, Marketing Manager Jan Helge Nielsen and Sales Manager Jan Christensen.

Aluminium plants, power plants, mines, rolled and enamelled products, tubes, fins and slugs, profiles and foils, cast products, air freight equipment, kitchen utensils, sink units industrial castings, high tension lines, electro-technical products and the marketing of technology.

ASV ALUMINIUM - the aluminium people

YES, PLEASE! I'd like to know more about how ASV can give me new opportunities with aluminium. Please send me brochures containing more details.

Name/Position: _____
My aluminium products: _____
Company: _____ Tel: _____
Address: _____
Postcode/Place: _____
Send coupon to Century Aluminium Company Limited, Century House, 14 Dale End, BIRMINGHAM B4 7LN, Great Britain.

Aluminium plants, power plants, mines, rolled and enamelled products, tubes, fins and slugs, profiles and foils, cast products, air freight equipment, kitchen utensils, sink units industrial castings, high tension lines, electro-technical products and the marketing of technology.

Willett is building

FINANCIAL TIMES

Wednesday April 23 1986

DAIWA BANK

UK's new market regulators demand immunity

By Alexander Nicoll in London THE self-regulatory bodies which are due to police London securities markets in the City's new structure yesterday issued a strong joint warning that they will not operate unless they are given protection against litigation.

UK licence round proceeds but Shell-Esso plan shelved

BY DOMINIC LAWSON IN LONDON

SHELL and Esso said yesterday that they had rejected plans for the £2.5bn (\$3.8bn) joint development of a cluster of five oil and gas fields in the North Sea.



The 10th round is likely to be completed early next year. Mr Alick Buchanan-Smith, the Energy Minister, said yesterday "The round is aimed primarily at consolidating on the 9th round and encouraging exploration in those areas which merit more intensive examination."

link the application with a bid to drill in deep water frontier acreage. The Energy Department recognises that in the current climate a continuation of that policy might result in the oil industry's walking away from the round.

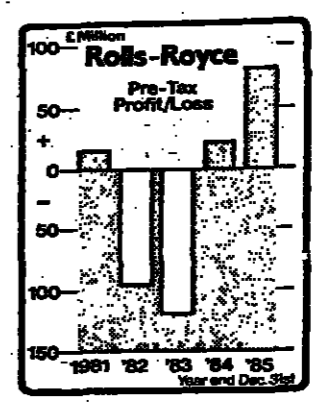
German banks lift role in Euronote market

By Jonathan Carr in Frankfurt

WEST GERMAN banks are gradually becoming more involved in the controversial business of supplying Euronote back-up facilities after a period of marked reserve, according to the Bundesbank's latest monthly report, released today.

THE LEX COLUMN Rolls-Royce on the testbed

As a dummy run for the prospectus, the 1985 annual report of Rolls-Royce is all that any share salesman could wish. It is glossy, but restrained in design, and despite a liberal sprinkling of blue-sky glamour photography it projects an attractively sober image of the smoothly running public company that Rolls wants to become early in 1987.



don has not yet decided whether to make competing quotes available. To develop the London market on the Nasdaq model of competing market-makers and then not let Wall Street see the competition in action would be a little odd, not least as Reuters and others will be happy enough to oblige if the Stock Exchange does not.

Mobil reports 38% gain in quarter

BY WILLIAM HALL IN NEW YORK

MOBIL OIL, the second biggest US oil group, yesterday reported a 38 per cent jump in first-quarter net income to \$440m.

Freeport-McMoRan, a New Orleans-based natural resources group, reported a \$132.2m first quarter loss as a result of a \$149.6m writedown of its oil and gas assets.

Mobil earned \$1.08 a share in the latest quarter against 78 cents a share a year ago. Revenues were \$1bn lower at \$14.1bn.

ings at present were lower on average than those for the first quarter. Marketing and refining margins were declining. Future earnings were likely to be "sharply lower" unless crude oil and gas prices increased from current depressed levels.

Chirac faces fire from right on 'timidity' toward free markets

BY DAVID HOUSEGO IN PARIS

DISAPPOINTMENT is beginning to surface on the French right that the conservative administration of Mr Jacques Chirac has not gone far enough in applying free-market economic policies.

which feels that its leader, former President Valéry Giscard d'Estaing, was kept out of the post of economy minister by Mr Chirac and that its more free market policies have also been set aside.

contained nothing on the deregulation of the telecommunications and energy sector or on providing more competition in the banking system.

Nasdaq and London launch prices link

Continued from Page 1

development of automatic execution of international trades. Mr Stephen Raven, chairman of the London exchange's International Markets Committee, yesterday enacted the first trade under the new link, buying 1,000 shares of Electrolux from a Nasdaq member in New York, Bernard Madoff.

"You cannot both gamble on the success of [an economic] policy and its failure," he writes. He accuses the government of contradiction in cutting public expenditure while subsidising the creation of new jobs for the young and in fighting inflation while giving way to French farmers over increases in farm incomes.

On a political level, those differences of view within the new administration have been reflected in public among parliamentary deputies because of the Government's narrow majority - has been more publicly voiced in the right-wing press. L'Express, for instance, belongs to Sir James Goldsmith, a committed free marketeer who supported Mr Chirac in an editorial before the elections.

Generally, the Bundesbank said, customers in Germany for Euronote facilities and similar innovations had not been as strong as in many other countries.

Industry 'losing competitive position'

BY OUR PARIS CORRESPONDENT

THE EXPECTED overall improvement in the French trade account this year concealed worrying trends that reflected a loss of competitiveness by French industry, Mr Michel Noir, Minister for External Trade, asserted yesterday.

France's surplus on industrial goods declined by 14 per cent last year to Ffr 8.2bn. In March - the last month for which figures are available - the surplus on industrial goods declined to Ffr 3.1bn against an average for 1985 of Ffr 6.9bn.

France's "increased vulnerability" was mainly attributable, he said, to a loss of price competitiveness in the French industry to adapt to changing world demand and inadequate marketing abroad.

World Weather

Table with columns for location, temperature, and weather conditions. Locations include Algeira, Athens, Amsterdam, Ankara, Antwerp, Baghdad, Barcelona, Beirut, Belfast, Bern, Bernin, Bonn, Buenos Aires, Brussels, Budapest, Cairo, Cardiff, Copenhagen, Dallas, Delhi, Dublin, Edinburgh, Frankfurt, Geneva, Glasgow, Hamburg, Harare, Helsinki, Hong Kong, Houston, Indianapolis, Istanbul, Jakarta, Johannesburg, Kuala Lumpur, London, Lyons, Madrid, Manila, Mexico City, Miami, Moscow, New York, Ottawa, Paris, Perth, Rome, Seoul, Singapore, Stockholm, Sydney, Taipei, Toronto, Vancouver, Warsaw, Wellington, Zurich.

EEC partners to expel Libyans

Continued from Page 1

have at least one dependant, the spokesman added. The British move is likely to raise tension within the 7,000-strong Libyan community in Britain, which includes 2,000 students. Among them are 250 technicians and trainee pilots at Heathrow Airport, Gatwick Airport and the Oxford school.

West Germany is planning to sharply reduce the size of the staff at the Libyan People's Bureau in Bonn. It is expected to order up to half of the 41 embassy personnel to leave.

Phillips Petroleum Company United Kingdom Limited advertisement. Includes logo with '66' and text: 'has sold its interest in the "/>

Handwritten text in Arabic script: 'مكتبة النخيل'

FEB MANUFACTURERS & SUPPLIERS OF BUILDING & CHEMICAL PRODUCTS FOR THE CONSTRUCTION INDUSTRY

SECTION II - COMPANIES AND MARKETS FINANCIAL TIMES

Wednesday April 23 1986

Thwaites Alldrive 6000 Dumper Thwaites Ltd, Leamington Spa, England

Chrysler profits slump as it holds prices down

BY TERRY DODSWORTH IN NEW YORK

CHRYSLER, the third-largest US car company, was hit by a sharp 30 per cent fall in net profits in the first quarter of this year...

last year's figures were boosted by the highly effective "thank you, America" sales incentive programme.

were depressed by a higher tax charge, based on 41 per cent of pre-tax profits rather than last year's 31 per cent.

Olivetti profits jump 41.5%

By Alan Friedman in Milan

OLIVETTI, Italy's leading office automation maker and the biggest European-owned company in the sector in turnover terms, yesterday announced a 41.5 per cent increase in consolidated net group profit...

Fiat ready to buy Libyan stake

BY JAMES BUXTON IN ROME

MR CESARE ROMITI, managing director of Fiat, has admitted that the group faces "genuine problems" because of anxiety in the US that the Libyan Government holds 15 per cent of the company's equity.

The Libyan Government's stake in Fiat was raised in Washington at the height of the Westland affair, in which Fiat bought a stake in the British helicopter company in alliance with United Technologies.

The problem of the Libyan stake in Fiat was raised in Washington at the height of the Westland affair, in which Fiat bought a stake in the British helicopter company in alliance with United Technologies.

same group linked by traditional ties of friendship and collaboration to the US. Some 31 per cent of Fiat is held by IFI.

Hoechst to raise DM 864m

By Peter Bruce in Bonn

HOECHST, the West German chemicals group, is planning to raise DM 864m (\$391m) in a 1-for-20 rights issue at the end of this month.

Italian merchant bank awaits change in law

BY JAMES BUXTON IN ROME

FIVE LEADING Italian banks have established what they claimed was the first of a new breed of Italian merchant bank. But the institution, called Finbancaria, will not be able to fulfil all the functions intended for it until the Italian Parliament passes a new law.

But it will not be able to buy and hold shares on its own behalf in other companies. Nor will it be able to collect savings from the public. This is because a new law, which would authorise the existence of merchant banks operating on these lines, has yet to be approved by Parliament.

Car division doubles profit for year

BY KENNETH GOODING IN TURIN

FIAT AUTO, the car division of Italy's largest private enterprise group, more than doubled its profit last year and will show a further increase in 1986, Mr Vittorio Ghidella, the chief executive, said yesterday.

could cover investment requirements, which were reaching a cyclical peak. Capital investment this year will jump to about L1,500bn from L1,000bn in 1985 and continue at the increased level in 1987.

suggested Fiat Auto was ready to be floated with its own stock-exchange quotation but could give no indication when - or even if - this would happen.

three years ago, was Europe's best selling car in the first quarter, beating the Volkswagen Golf. The Uno is being produced at the rate of more than 3,000 a day.

Philips predicts fall in income and sales

BY LAURA RAUN IN AMSTERDAM

PHILIPS, the Dutch electronics concern, forecast that its first-quarter income and sales would fall below that of the corresponding period a year ago, mostly due to continuing losses in its electronic components division.

would rise in the first quarter but more slowly than the 7 per cent rise in the corresponding period of 1985. The cyclical downturn in electronic components, notably microchips, was a major cause of the 17 per cent tumble in Philips' earnings last year.

Oerlikon-Buehrle plans to resume dividends

BY JOHN WICKS IN ZURICH

OERLIKON-BUEHRLE, the Zurich-based industrial concern, proposes to resume dividend payments this year with a payout of 5 per cent.

despite a slight drop in turnover and further depreciation payments of SFr 25m in connection with development costs of the Adats missile system.

Havas chief expected to resign

By Our Paris Staff

MR André Rousselet, chairman of Havas, the French state-controlled media group, is expected to resign today. His resignation is the first of a French state-sector chairman appointed by the former Socialist Government.

Largest silver mine in US is shut down

BY MARY FRINGS IN DALLAS

THE Dallas-based Sunshine Mining Company this week closed the US's biggest silver mine at Kallagie, Idaho, and indefinitely laid off 50 per cent of its workforce.

The United Steel Workers Union turned down a company proposal for a 35 per cent reduction in wages and benefits, coupled with a stock ownership plan.

Bristol-Myers earnings and sales soar

By Our New York Correspondent

BRISTOL-MYERS, one of the leading US drug companies, swept to record sales and earnings in the first quarter of this year, helped by exceptionally strong growth in overseas turnover.

Net earnings were up 17.6 per cent to \$144.6m, or \$1.02 a share, against \$122.9m, or 87 cents, in the same period last year.

Multinational Arab bank group lifts earnings

BY PAUL BETTS IN PARIS

THE AL UBAF banking group, the multinational Arab banking group, has reported higher net earnings of \$34.8m last year compared with net profits of \$28.7m the year before.

(\$8.7m) last year, and net profits rose from Ffr 51m in 1984 to Ffr 54m last year. The group's French-based bank opened a new branch in Osaka, Japan, this month.

Carson rejects 'sweetened' Baytree offer

CARSON Pirie Scott, the Chicago-based department store chain, has rejected a sweetened \$470m takeover bid by Baytree Investors, a group of local investors.

Lornex profit C\$4m in quarter

LOWER first-quarter earnings of C\$4.1m (US\$2.96m) are reported by Lornex Mining, the Rio Tinto-Zinc group's Canadian copper-molybdenum producer in British Columbia.

The reduction reflects a 25 per cent fall in molybdenum prices, lower copper output and a higher effective tax rate. These factors offset increased molybdenum production, higher copper prices and a favourable exchange rate against the US dollar.

MCI earnings fall to \$19.8m

BY PAUL TAYLOR IN NEW YORK

MCI COMMUNICATIONS, the Washington long-distance telephone group, reported first-quarter net earnings of \$19.8m, or 8 cents a share, down sharply from net earnings of \$40.4m, or 17 cents, in the year-ago quarter when earnings were buoyed by an anti-trust settlement gain partly offset by equipment writedowns.

acquired earlier this year from IBM in exchange for MCI stock. Excluding the effect of SBS operating results and the issuance of 47m extra MCI shares in conjunction with the SBS acquisition, the group said earnings would have increased to \$25.9m, or 11 cents a share, in the latest quarter compared with \$17.2m, or 7 cents, a year ago.

year-ago period reflected the impact of a \$63m anti-trust settlement with US West offset by a \$50.5m provision to cover the writedown of communications equipment. Income from operations, before taxes, interest payments and special items, increased to \$31.7m in the latest period, up from \$46.5m a year ago.

New Issue March 1986 Fermenta AB Fermenta Holding Company Inc. US\$ 30,000,000 Stock Issue Arrangement. Subscribed by Credit Agricole Gota (UK) Limited, FennoScandia Limited Hambros Bank Limited, Kansallis Banking Group. Arranged by Gota (UK) Limited

any ed

mixed

d

INTERNATIONAL COMPANIES and FINANCE

CHAIRMAN'S STATEMENT

Extracts for Year Ended December 1985

- New Business
- 65% increase in new business, comfortably ahead of 14% industry average
- 87% increase in self-employed pensions annual premiums
- 76% increase in single premium executive pensions
...
Scottish Life
19 St. Andrew Square, Edinburgh, Telephone 031-225 2211



CSX bids \$650m in battle for Sea-Land

BY WILLIAM HALL IN NEW YORK

CSX, the second biggest US railroad group, has stepped into the battle for control of Sea-Land Corporation...

Imperial Oil to halve spending

BY BERNARD SIMON IN TORONTO

IMPERIAL OIL, Canada's largest oil company, in which Exxon of the US has a 70 per cent interest...

future. It has been locked in a bitter fight for its independence with Mr Harold Simmons, a Dallas financier who has been steadily increasing his stake in the company...

Earlier this month Mr Simmons increased his offer for the remaining Sea-Land shares to \$26 a share. It was unclear whether CSX's bid would be approved by the various US authorities which regulate the US transport industry since there has always been concern about the effects of having shipping companies controlled by big railroads...

Price war takes toll on United Airlines

By Terry Dodsworth in New York

THE price-cutting war in the US airline industry took a heavy toll in the first quarter on United Airlines (UAL), the leading US carrier, which plunged into heavy losses...

CSX said the acquisition of Sea-Land would accomplish several objectives and enable the group to enhance its "one-stop" shipping concept. It said the problems of overcapacity and competition in the world container shipping industry were "far overwhelmed by the synergistic opportunities of the CSX-Sea-Land combination."

Sea-Land had revenues of \$1.6bn and net earnings of \$14m in 1985. CSX had revenues of \$1.3bn and net income of \$42m last year.

Mixed results for US metals groups

BY KENNETH MARSTON IN LONDON

PHILIPS DODGE and Asarco, two major US metals groups, have reported contrasting results for the first quarter of this year...

Asarco received better prices for its copper, but those for silver, lead and zinc were down, zinc falling to 31.7 cents per pound from 42.9 cents.

First-quarter earnings amount to \$15.2m, or 44 cents a share, after including a \$6.2m tax credit. They compare with \$2.7m in the same period of 1985...

The latest figure includes exchange losses of \$12 - against gains of \$8.4m last year - and also a credit of \$5m from a rights issue of common shares together with a gain of \$3.6m from the sale of part of the stake in the Wiluma gold project.

US creditor claim settled by Galadari

BY ANGELA DIXON IN DUBAI

GALADARI BROTHERS, the Dubai-based group with wide-ranging interests, is said to have settled another of its creditors' claims...

Earnings of the Hertz rental and leasing division, acquired last August, amounted to \$1.8m, with the industry benefiting from increased air travel. Hotel net earnings fell to \$1.8m from \$2.7m, following a decline of 3.1 percentage points in room occupancy to 83.5 per cent.

North American quarterly results

Table with multiple columns showing financial results for companies like A. N. ROBBINS, DART & KRAFT, RUGGLES TOOL, AMERICAN CYANAMID, PITNEY BOWES, PRIME COMPUTER, BAMA, MARTIN MARINETTA, HYDOR SYSTEM, SOUIBB, and WASTE MANAGEMENT.

AUSTRALIAN MINING & SMELTING LIMITED
SECOND NOTICE OF REDEMPTION OF ALL OUTSTANDING 9.25 PER CENT DEBENTURES DUE 1992
Australian Mining & Smelting Limited ("AM&S") hereby gives notice to all holders of its 9.25 per cent Debentures due 1992...

GREAT PORTLAND ESTATES P.L.C.
Issue by way of placing of £25,000,000 nominal of 9.5 per cent. First Mortgage Debenture Stock 2016 at £97.963 per cent.
Application has been made to the Council of The Stock Exchange for the whole of the above Stock to be admitted to the Official List.

Standard Chartered
Subordinated Floating Rate Notes Due 1996 and 150,000 Warrants of Standard Chartered Finance B.V. to subscribe Standard Chartered PLC £150,000,000 9% Subordinated Bonds Due 1996
The following have agreed to procure subscribers for or subscribe and to procure purchasers for or purchase the Notes and the Warrants:
Standard Chartered Merchant Bank Limited, Goldman Sachs International Corp., Banque Bruxelles Lambert S.A., Banque Paribas Capital Markets Limited, Morgan Guaranty Ltd, Sanwa International Limited, Credit Suisse First Boston Limited, J. Henry Schroder Wagg & Co. Limited, Banque Nationale de Paris, Morgan Grenfell & Co. Limited, Morgan Stanley International, Sumitomo Finance International, S. G. Warburg & Co. Ltd.

PEARSON
U.S. \$75,000,000
5 3/4% Convertible Bonds Due 2001
The following have agreed to subscribe or procure subscribers for the Bonds:
Lazard Brothers & Co., Limited, County Bank Limited, Cazenove & Co., Enskilda Securities, Salomon Brothers International Limited, Credit Suisse First Boston Limited, Lazard Freres et Cie, Deutsche Bank Capital Markets Limited, Nomura International Limited, Swiss Bank Corporation International Limited, S. G. Warburg & Co. Ltd.

هكذا من الاجل

INTERNATIONAL COMPANIES and FINANCE

Burroughs: a new self-confidence

By Paul Taylor in New York

INSIDE Burroughs' downtown Detroit headquarters, a quiet revolution has been taking place since W. Michael Blumenthal, the former Bendix chief executive officer and Carter administration treasury secretary, took the helm five years ago. A new self-confidence has emerged at the world's second largest mainframe computer-maker.

Burroughs, buoyed by a revamped product range and an aggressive marketing strategy, is aiming to expand its market share, outgrow the industry and consolidate its position as the leading alternative supplier of large general purpose computers to International Business Machines (IBM).

As Burroughs' 66 per cent first quarter earnings decline posted last week shows, it is a tough challenge, but one which Burroughs insiders, despite lingering doubts on Wall Street, insist will be achieved. "I am confident that we are in an excellent position to rapidly win new customers and accelerate revenue growth," Mr Blumenthal says in the group's recently released annual report. "We have a full range of competitive and technologically advanced products. We are attuned to customers and their needs in the lines of business we specialise in."

The contrast with the Burroughs of 1980, the year Mr Blumenthal was brought in as chairman, could hardly be more acute. That year profits nosedived from a peak of \$305.5m in 1979 to \$82m and profit margins shrank to an anemic 2.9 per cent as the Detroit giant reeled under a top-heavy, complacent and stuffy management, an ageing and incomplete product line and fierce competitive pressures.

In an attempt to set Burroughs back on the fast growth track, the cigar-smoking Mr Blumenthal brought in a new team of senior managers, many of them former IBMers including Burroughs' president, Paul G. Stern, who had also served with Rockwell International and Gillette. At the same time, he embarked upon a major corporate restructuring effort, cutting costs by reducing staff and closing inefficient plants while rejuvenating and extending Burroughs' product line.

Since 1980, Burroughs has closed 25 plants including eight last year. In 1985 alone, the workforce was cut by over 7 per cent and further layoffs announced early this year have reduced the worldwide workforce to around 60,000 from 65,300 just 15 months ago.

Under the new management team, Burroughs has stepped up research and development spending to \$285.2m in 1985 and a projected \$310m this year. Now the results of this effort are beginning to show through. Over the past two years Burroughs has introduced two new lines of mainframe computers, the "A" and mid-sized "V" series.

The "A" series runs from the entry level A-3 up to the A-15—Burroughs' answer to IBM's top-of-the-line 3090—and provides the group with the widest range of compatible mainframes in the industry. Burroughs notes proudly that from the bottom (A-3) to the top of the range (A-15), its products provide customers with a 70-fold power increase in computing power.

In an effort to attract new customers which will, it is hoped, then "migrate" up the Burroughs' product line, the group has also expanded its line to include the B25 series of microcomputers, made for Burroughs by Convergent Technologies under a deal negotiated four years ago, and the XE series of minicomputers. Unlike some of its competitors, Burroughs' smaller computers are not designed as stand-alone PCs. Instead, "what we are really emphasising is the capability of clustering these workstations" and operating them with group's mainframes," says Mr James Page, programme manager in Burroughs' corporate programme management team.

These new product offerings have helped silence critics and customers who once complained about outmoded hardware.

Equally, they have also helped halt the erosion of Burroughs' 40,000-strong installed mainframe base. The company claims that about half the B-25s and a third of the A-3s sold last year were purchased by new customers.

At the same time, in order to hold and expand the group's customer base, Burroughs is gearing up applications software development, spending both in-house and by turning to outside developers. Last year, software development spending grew by 10 per cent to \$75m. Among outside suppliers, Burroughs has signed a deal with Management Science America, a big Atlanta software house, to rewrite software packages to run on its machines.

This extra effort to develop

competition. Thus, while Burroughs mainframe machines are not IBM-compatible, the Burroughs network architecture allows users to tie into IBM systems, a recognition of the realities of an IBM dominated world.

Burroughs' more focused marketing strategy is geared to exploiting what Mr Page calls "multiple vertical markets"—markets like finance and banking, government, manufacturing, health care, education, and the distribution sector. While accepting that most of its competitors are also targeting these markets, Mr Page insists Burroughs' expertise, product range and reputation for building reliable, relatively simple and cheap-to-maintain machines gives the company an edge.

quarter net earnings fell to \$16m from \$46.6m in the year-ago period on sales which slipped to \$1.14bn from \$1.17bn. Mr Blumenthal blamed the reversal on "short term earnings" pressure in its government business and restructuring costs together with the continued losses of its IBM plug-compatible disk business. Indeed losses at the group's Memorex disk-drive subsidiary have been a key factor holding Burroughs' earnings rebound in check.

Burroughs insists technical problems at Memorex with a new generation of high-capacity memory storage devices or mainframes have now been resolved and that the loss-making unit, acquired in 1981 for \$117m, will return to profit late this year.

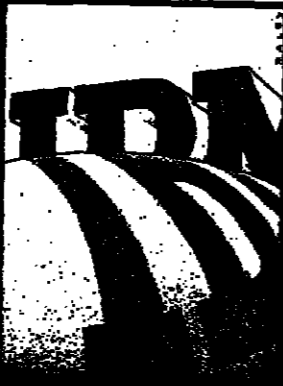
Even then, Burroughs' growth targets, which include a 15 per cent annual increase in sales, look ambitious. Burroughs' need to grow and grow fast was generally seen as one reason why the company tried to merge with Sperry, one of its competitors, last year. Although Sperry rebuffed the \$3.74bn merger proposal, Mr Dube of Shearson Lehman noted recently that "investors are left with the question of whether the effort was meant to leverage Burroughs' competitive position or to buttress a possible weakness."

Burroughs' executives brush aside such concerns, but there is little doubt that the company is still on the acquisition trail. In the meantime, some Wall Street industry watchers believe the group may be forced to scale down some of its more ambitious targets. Indeed last month, Mr Blumenthal himself warned that the company expected a substantial drop in first quarter net earnings because of the continued softness of the US market. Nevertheless, he said, 1986 full year profits should still come out ahead.

It may take a little longer than Mr Blumenthal would have liked before Burroughs' earnings return to their 1979 peak, but in Detroit at least there is little doubt that Burroughs will make it. "With the introduction of the A-15 we proved that we can play ball with anybody in this business," says Mr Page, "particularly with IBM, but also with foreign competitors and our other American competitors." Confidence in Detroit is high.

That is the second in a series of articles. The first appeared on yesterday's leader page.

IN THE SHADOW OF IBM



KEY FIGURES

	Sm						
	1984	1985	1985	1984	1983	1982	1981
	(1st qtr)	(1st qtr)	(1st qtr)	(1st qtr)	(1st qtr)	(1st qtr)	(1st qtr)
Revenue	1,140	1,170	5,040	4,810	4,390	4,190	3,410
Net profit	16	46.6	248.2	244.9	196.9	117.6	148.9

applications software is designed to address one of the main complaints voiced by Burroughs' and other non-IBM mainframe customers, for while Burroughs wins high praise from users for its operating systems, software customers have complained bitterly in the past about the relative lack of industry-specific software.

Going outside the company for software and other help represents a big chance for Burroughs. "Five years ago Burroughs relied almost entirely on itself," says Mr Page. "The change is symptomatic of the more pragmatic, market-oriented approach that Mr Blumenthal's Burroughs has adopted."

In order to provide "greater responsiveness to market requirements," Burroughs has combined its product development and marketing organisations while rapidly expanding its sales force. Last year the sales force grew by around 15 per cent and a similar increase is slated for this year. The group's sales training budget has jumped from under \$1m in 1981 to \$67m last year.

Burroughs has set up special targeted sales units to find customers for its new products and these days stresses "co-existence" with IBM rather than outright across-the-board

The Detroit group, which still derives about 35 per cent of its \$5bn in revenues and 45 per cent of its profits from mainframe computer sales, believes this new strategy will help it break away from the rest of the US "bunch" mainframe computer makers.

On Wall Street the jury is still out. But the company gets good marks for effort. "Burroughs appears determined to play across the board," says Mr Urie Well of Weil and Associates, a Washington-based high technology consulting group, adding "they are well managed."

Investors seem to be gaining confidence that the long struggle to improve profitability at Burroughs is over and that margins should rise substantially in the years ahead, producing a more rapid rate of growth than some of Burroughs' competitors would be capable of," said Mr Stephen Dube of Shearson Lehman Brothers, the Wall Street securities firm, in a recent report.

But Burroughs still faces several major problems. Profits have returned to around the \$250m-a-year level. But like most of the other non-IBM mainframe machine makers, Burroughs has been hit by the industry-wide slowdown. First

Swiss Bank Corporation, Basle
Swiss Bank Corporation (Overseas) S.A., Panama

Notice to holders of the
6 1/4% US\$ Convertible Bonds 1980-90
of Swiss Bank Corporation (Overseas) S.A., Panama
and to holders of the Warrants of the
6 1/4% US\$ Bonds with Warrants 1983-93
of Swiss Bank Corporation (Overseas) Ltd, Nassau
5 1/2% US\$ Bonds with Warrants 1985-92
of SBC Finance (Cayman Islands) Ltd, Grand Cayman

We refer to the capital increase of Swiss Bank Corporation and the corresponding notice to the bond- and warrant holders of March 5, 1986.

6 1/4% US\$ Convertible Bonds 1980-90
According to the Terms and Conditions of the Bonds the conversion price of US\$173.—per bearer participation certificate of Swiss Bank Corporation in the nominal amount of Swiss francs 100 each has been reduced to US\$167.— Upon conversion the difference of US\$165.— or US\$1650.— respectively between the principal amount of such Bond and the reduced conversion price multiplied by 5 or 50 respectively will be paid to the converting bondholder.

Warrants of the 6 1/4% US\$ Bonds 1983-93
According to the Description of the Warrants the purchase price of Sfr.272.— per bearer participation certificate of Swiss Bank Corporation in the nominal amount of Swiss francs 100 each has been reduced to Sfr.263.—

Warrants of the 5 1/2% US\$ Bonds 1985-92
According to the Description of the Warrants the purchase price of Sfr.455.— per bearer participation certificate of Swiss Bank Corporation in the nominal amount of Swiss francs 100 each has been reduced to Sfr.440.—
The adjusted conversion and purchase prices are effective as of April 18, 1986.

April 23, 1986 Swiss Bank Corporation, Basle
Swiss Bank Corporation (Overseas) S.A., Panama

Company Notice

NOTICE TO HOLDERS OF EUROPEAN DEBITARY RECEIPTS (EDRS) IN NITTO ROSEKI CO., LTD.

NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record date April 22, 1986. Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchange with effect from April 23, 1986.

Subject to approval of the dividend, a further notice will be published, after stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment.

Coupon No. 6 will be used for collection of this dividend.

CITIBANK, N.A., London, Depository
April 23, 1986.

SHIPPING

Publication date: May 21 1986

The Financial Times proposes to publish this Survey on the above date. The provisional editorial synopsis is set out below:

1. INTRODUCTION
2. FINANCE
3. CONTAINERS
4. TANKERS
5. BULK CARRIERS
6. PASSENGER SHIPS
7. SHIPBUILDING
8. SPECIALISED CARGO

Editorial Information:

Please address all enquiries or suggestions concerned with the editorial content of this Survey in writing to the Surveys Editor.

Advertising Information:

Information on advertising can be obtained from Robin Ashcroft, telephone number 01-248 8000 ext 3365 or your usual Financial Times representative. Details of Financial Times Surveys are subject to change at the discretion of the Editor.

AMERITECH'S PERFORMANCE IN COMMUNICATIONS SPEAKS FOR ITSELF.

For the companies of Ameritech—American Information Technologies—our financial performance is communicating some very good things.

In 1985, Ameritech earned more than one billion dollars. Net income was up 8.8% over 1984. Earnings per share were up 8.4%.

Our return to equity was 14.7%, compared to 14.3% in 1984. We were first in this category among all the regional telecommunications companies created

by the AT&T divestiture. Our return on capital was impressive, too: 11.4%, compared to 11.1% in 1984.

Ameritech consists of five Bell telecommunications companies serving the heartland of the United States. We also operate leading companies in cellular mobile phone service, voice and data products and systems, computer software, lease financing, directory publishing, and technology development.

Return to Equity 1984 14.3%

We're building a foundation for the future by investing more than \$2 billion this year in new and expanded services to meet the total communications needs of our customers, and to strengthen our competitive position in every market we serve. For example, Ameritech is a leader in the development and application of the Integrated Services Digital Network. And we provide international consulting services in areas ranging from mobile com-

munications to directory publishing. We're listed on the European stock exchanges in: London, Geneva, Zurich and Basel.

For a copy of our corporate profile, write: AMERITECH, P.O. Box 50397, Chicago, IL 60650, U.S.A.



AMERICAN INFORMATION TECHNOLOGIES
Helping you communicate...

INTERNATIONAL COMPANIES and FINANCE

North sells uranium stake to Pioneer

By Our Sydney Correspondent
NORTH BROKEN HILL Holdings has sold its 31 per cent stake in Energy Resources of Australia, the uranium group, to Pioneer Concrete Services for A\$229m (US\$166m), completing the first and biggest step in its A\$450m asset sale programme.
 The plan for the sale of North's investment interests emerged early this year, when the company was under assault from Industrial Equity Ltd., which proposed a parcel takeover to be followed by complete liquidation of North.
 The group's 12 per cent stake in Alcoa of Australia and its holdings in Beach Petroleum and Harbours Australia are also believed to be on North's sell list. The programme is aimed at reducing group borrowing and focusing on North's wholly-owned and operated interests as an integrated silver-lead-zinc producer of fine papers.
 Pioneer is already involved in the uranium industry through its controlling stake in the Nabarlek mine project. Its purchase of the ERA shares requires approval by other shareholders.
 ERA is one-third owned by Peko-Walsend, the mining group, with uranium customers and the investment public holding the remainder.
 Meanwhile, Industrial Equity is believed to be close to selling its residual holding in North. IEL last month disposed of a 15 per cent stake through RADA Corporation, the New Zealand group.

BHP bid back in the melting pot

BY LACHLAN DRUMMOND IN SYDNEY

THE FUTURE of Broken Hill proprietary, the Australian energy, mining and steel group, was thrown back into the melting pot yesterday when Mr Robert Holmes & Court's Bell Resources decided not to go ahead with a takeover bid in its present form.
 Bell is expected to return shortly with a revised version of its A\$7.70 a share partial offer which was blocked by the courts.
 Meanwhile Adelaide Steamship Group, which had at one stage allied itself with Bell in staking BHP, now appears free to move to a 20 per cent stake in BHP should it so wish. Elders IXL owns 18.5 per cent and Bell Group almost 19 per cent.
 The joint enticement of Bell and Adsteam came to almost

19 per cent, restricting Adsteam from buying more than a further 1 per cent without crossing the 20 per cent threshold which triggers a public bid.
 Adsteam now owns nearly 1m BHP shares, or 4.9 per cent, and could now buy another 15 per cent of BHP from where it could launch its own play for control or determine success of any offers from Bell.
 In announcing its intention not to go ahead yesterday, Bell said the bid might proceed in modified form, provided appropriate modifications could be won from the NCSC and depending on the final outcome of BHP's actions against the offer in the Supreme Court. These were adjourned yesterday while Bell's counsel sought advice.
 The decision not to proceed followed the court's granting of an injunction to BHP on Monday restraining the despatch of the offer. It represents a replay of events surrounding Bell's initial offer, registered on February 17 and annulled by Bell on March 24 after it had been the subject of almost identical court actions from BHP.
 Having drawn BHP's fire with its earlier bid, Bell's latest offer documents contain fewer points of objection and the latest offer is now expected to be refined further. The key area of contention has been Bell's inclusion of a maximum acceptance condition equivalent to 26 per cent of non-Bell shares, despite being formally pitched at 50 per cent of each shareholding.

Waitaki
 Waitaki International Investments Limited
 a U.K. subsidiary of
Waitaki International Limited
 has acquired
 the New Zealand operations
 and certain international marketing facilities
 of
Thomas Borthwick & Sons plc
 The undersigned assisted in the negotiations
 and acted as financial advisers to
 Waitaki in this transaction
ORION ROYAL BANK LIMITED
 A member of The Royal Bank of Canada Group
 March 1986

R120m rights issue at Bankorp

BY JIM JONES IN JOHANNESBURG

BANKORP (Bank Holding Corporation of South Africa) is to raise R120m (\$60m) by means of a rights issue of ordinary shares, largely to refinance Mercabank, its troubled, wholly-owned merchant and investment banking arm.
 The capital restructuring is the second needed since the start of this year by a major South African banking group. In February, Nedbank, the country's third largest bank, announced a R345m restructuring to bolster a severely eroded capital base and to provide the additional capital required to comply with stricter bank capital adequacy requirements which are being introduced.
 Bankorp, South Africa's fifth largest banking group, is the banking arm of Sanlam, the country's second largest insurance group, which holds

about two-thirds of Bankorp's shares. In turn, Bankorp's principal subsidiary is Trust Bank South Africa's fifth largest commercial bank. Bankorp's board has assured shareholders that Trust Bank and two other banking subsidiaries, Santabank and Central Merchant Bank (Sanbank) "are at present adequately capitalised."
 However, like Nedbank, the Bankorp group does not report fully, preferring to take advantage of provisions of the Banks Act which permit disclosure of profits after tax and transfers to and from hidden reserves. As a result, investors have marked the price of Trust Bank's shares sharply lower in recent days.
 Mr Rob Wood, Bankorp's senior general manager, says that most of the R120m rights issue will be used to refinance Mercabank's property and industrial interests. They have been suffering from negative cash flows as a result of high interest rates which, in turn, led Mercabank to disclose a loss of R1m in the year to end-June 1985. In January this year Ewing McDonald, Bankorp's recently-acquired wholly-owned ship-plant and engineering subsidiary, declared a moratorium on repayment of debts totalling R90m owed to other banks after Bankorp had declined to guarantee the total debt.
 At the end of its last financial year (June 1985) Bankorp disclosed total shareholders' funds of R345.5m and total assets of R13.61bn. It showed a consolidated, after-tax profit of R61m for the year. Mercabank disclosed shareholders' funds of R532m and total assets of R532m.

Tham faces 20 more charges on Pan-Electric

By Chris Sherwell in Singapore

THE SINGAPORE authorities, pursuing their investigation into last November's collapse of Pan-Electric Industries and the country's associated stockbroking crisis, yesterday added another 20 criminal charges to the five already standing against Mr Peter Tham, the 37-year-old businessman who was arrested last week.
 Mr Tham is the third person to face conviction over the affair. Mr Tan Koon Swan, the Malaysian entrepreneur and politician, is due to go on trial on 15 counts next month. A third businessman, Mr Tan Kok Liang, was jailed for 15 months in February.
 Mr Tham looked tired and drawn when he appeared in the Singapore subordinate court yesterday, and his lawyer said he had faced nine straight days of questioning for some 10 hours a day.
 The judge reserved his decision on a prosecution request to detain Mr Tham for three more days of interrogation. Following a defence plea that Mr Tham be allowed to rest, a prison doctor will examine him and a further court appearance is scheduled for tomorrow.
 The 20 new charges are similar to the five lodged one week ago, and the penalties range up to life imprisonment. Fifteen of the new charges accuse Mr Tham of forging share certificates. In 1979, one accuses him of criminal breach of trust in 1984 and four allege that he had faced nine straight days of questioning for some 10 hours a day.
 Mr Tham was a director of Pan-Electric Industries, chairman of Growth Industrial Holdings, which had a 31.6 per cent stake in Pan-Electric, and managing director of Associated Asian Securities, a local broking firm. None of the three concerns is still in business.

Honda Motor hit by dearer yen

BY YOKO SHIBATA IN TOKYO

HONDA MOTOR scored a record consolidated net profit of Y146.5bn (\$881m), an increase of 14 per cent, in the year ended February 1986. Consolidated net profits per American or European share, each representing 10 shares of Honda common stock for fiscal 1986, amounted to Y1,491, an increase of Y104 over the previous year.
 The increase in net profits for the year stemmed in higher sales and continued improvement in financial items resulting from reduced interest expenses and higher interest income.
 However, the company was shaken badly by the yen's appreciation in the December 1985-February 1986 quarter, resulting in a 20 per cent fall

in net profits from the previous quarter. This was the first quarterly profit drop in four years.
 Consolidated turnover came to Y2,909.6bn, up 9.7 per cent from Y2,652.2bn in the previous year. Of the total turnover, Y845bn or 29 per cent came from the Japanese market and the remaining Y2,064.6bn from overseas sales.
 During last year, the company sold 3.06m motorcycles, up 4.2 per cent, although sales by value fell 2.4 per cent to Y413bn. The marketing of new models, and increased exports to North America and China, led to higher unit sales.
 Smooth growth of domestic car sales was attributed to the launch of new models and 9 improvements in domestic sales networks. Car sales by value amounted to Y1.84bn, an increase of 13.7 per cent over last year.
 The consolidated results reflected the parent company's pre-tax profit of Y8.11bn (up 19 per cent) with net profits of Y45.23bn (up 38 per cent) on sales of Y2,245.7bn (up 18 per cent). On an unconsolidated basis, Honda lost some Y14bn from the yen's steep appreciation.
 For the current business year ending February 1987, Honda expects smooth automobile sales both at home and abroad. Thanks to the growing popularity of up-market cars with high added value, Honda's unconsolidated full year sales are expected to increase by 9 per cent at Y2,450bn.

This announcement appears as a matter of record only.
BELL RESOURCES LTD.
 (Perth, Western Australia)
 The introduction to the Amsterdam Stock Exchange of the fully paid ordinary shares of Bell Resources Ltd., has been arranged by
Amsterdam-Rotterdam Bank N.V.
 March, 1986

Paragon wins Kalgoorlie Gold control

By Our Mining Editor

PARAGON RESOURCES, former part of the reconstruction of Eastrust Holdings, has finally won control of Central Kalgoorlie Gold Mines. Directors of the latter still consider the Paragon bid of 40 cents per share to be too low, but have accepted in order to avoid control of the company being split between Paragon and its rival, Temples.
 Central Kalgoorlie's interests include promising gold prospects in the Kalgoorlie area of Western Australia. The company is involved in two joint venture gold prospects with US majors, Homestake and Newmont.
 Australia's Dominion Mining and Oil is to make a A\$92m (A\$4m or US\$6.5m) renounceable rights issue to finance its ongoing gold ventures in Australia and the Pacific Rim. The new shares will be offered at 50 cents on a one-for-three basis. The directors and major shareholders are to take up 40 per cent of the issue and the remainder is being underwritten by brokers Ord Minnett.

Morgan beats Korean retreat

BY STEVEN BUTLER IN SEOUL

MORGAN GUARANTY TRUST yesterday announced a decision to close its Seoul branch office and to withdraw some local currency commercial banking in Korea.
 Mr Robert Brose, vice president and general manager in Seoul, said the move reflected Morgan's global shift away from traditional commercial banking and towards investment and merchant banking activities. Morgan plans to open a representative office in Seoul and says it will continue its involvement in arranging external financing for government and corporate clients in Korea, which it expects to be in the form of capital market instruments.
 The decision, which came as a surprise, marks the first withdrawal of a major bank from the local Korean market and inevitably raises questions about access to the market, about which bankers have complained.
 Foreign banks have been frustrated by their inability to increase their access to local currency.
 Mr Brose said that Morgan's decision to withdraw was absolutely not related to current or future prospects for local banking. He said that Morgan enjoyed a profitable commercial banking operation in Seoul.
 Most of Morgan's staff will be absorbed by Westpac, the Australian banking group, which recently opened a branch office in Seoul. Morgan will also be selling a portion of its approximately \$25m of assets to Westpac.
 Morgan said it would take about six months to wind down its outstanding loans.

Banco Pastor S.A.
 has sold
 its wholly owned subsidiary
La Toja Cosméticos S.A.
 to
Gillette Española S.A.
 a wholly owned subsidiary of
The Gillette Company
 The undersigned initiated this transaction and represented Banco Pastor in the negotiations.
Chase Manhattan Limited
 London
Chase Manhattan Bank N.A.
 (Sucursal en España)
 April 1986
Chase Investment Bank

This advertisement complies with the requirements of the Council of The Stock Exchange

OKG
OKG AKTIEBOLAG
 (Incorporated in Sweden with limited liability)
Danish Kroner 250,000,000
 8¾ per cent. Notes 1992
 Issue Price 100 per cent.

Svenska Handelsbanken Group **Copenhagen Handelsbank A/S**
Enskilda Securities
 Sveriges Aktie Aktiefond Limited

Application has been made for the Notes, in bearer form in the denomination of DKK 20,000 each, constituting the above issue to be admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global note. Interest will be payable annually in arrears in May each year, the first payment being made on 6th May, 1987.
 Listing particulars relating to the Notes and to OKG Aktiefbolag are available in the statistical services of Eatal Statistical Services Limited and copies may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted), up to and including 25th April, 1986 from the Company Announcements Office, of The Stock Exchange, London EC2 and up to and including 7th May, 1986 from:-

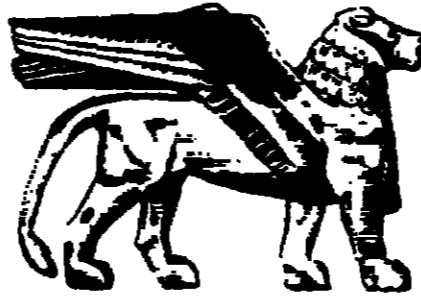
Svenska International Limited, 17 Devonshire Square, London EC2M 4SQ
Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN
Kredietbank N.V., 40 Basinghall Street, London EC2R 7JD
 23rd April, 1986

هكزامن الأمل

All of these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

4,000,000 Shares



H. F. Ahmanson & Company

Common Stock

3,000,000 Shares

The above shares were underwritten by the following group of U.S. Underwriters.

Merrill Lynch Capital Markets

Sanford C. Bernstein & Co., Inc.

Shearson Lehman Brothers Inc.

- | | | |
|--|--|---|
| Bear, Stearns & Co. Inc. | The First Boston Corporation | Alex. Brown & Sons
<small>Incorporated</small> |
| Dillon, Read & Co. Inc. | Donaldson, Lufkin & Jenrette
<small>Securities Corporation</small> | Drexel Burnham Lambert
<small>Incorporated</small> |
| Goldman, Sachs & Co. | Hambrecht & Quist
<small>Incorporated</small> | E. F. Hutton & Company Inc. |
| Kidder, Peabody & Co.
<small>Incorporated</small> | Lazard Frères & Co. | Montgomery Securities |
| Morgan Stanley & Co.
<small>Incorporated</small> | PaineWebber
<small>Incorporated</small> | Prudential-Bache
<small>Securities</small> |
| L. F. Rothschild, Unterberg, Towbin, Inc. | | Robertson, Colman & Stephens |
| | | Salomon Brothers Inc |
| Smith Barney, Harris Upham & Co.
<small>Incorporated</small> | Wertheim & Co., Inc. | Dean Witter Reynolds Inc. |
| Allen & Company
<small>Incorporated</small> | A. G. Edwards & Sons, Inc. | Morgan, Olmstead, Kennedy & Gardner
<small>Incorporated</small> |
| Oppenheimer & Co., Inc.
<small>Incorporated</small> | Sutro & Co.
<small>Incorporated</small> | Thomson McKinnon Securities Inc. |
| Robert W. Baird & Co.
<small>Incorporated</small> | Bateman Eichler, Hill Richards
<small>Incorporated</small> | Blunt Ellis & Loewi
<small>Incorporated</small> |
| Boettcher & Company, Inc. | J. C. Bradford & Co.
<small>Incorporated</small> | Butcher & Singer Inc. |
| Dain Bosworth
<small>Incorporated</small> | Epples, Guerin & Turner, Inc. | Janney Montgomery Scott Inc. |
| Ladenburg, Thalmann & Co. Inc | Cyrus J. Lawrence
<small>Incorporated</small> | Legg Mason Wood Walker
<small>Incorporated</small> |
| McDonald & Company
<small>Securities, Inc.</small> | Moseley, Hallgarten, Estabrook & Weeden Inc. | Neuberger & Berman |
| Piper, Jaffray & Hopwood
<small>Incorporated</small> | Prescott, Ball & Turben, Inc. | Rauscher Pierce Refsnes, Inc. |
| The Robinson-Humphrey Company, Inc. | | Rotan Mosle Inc. |
| Stifel, Nicolaus & Company
<small>Incorporated</small> | Tucker, Anthony & R. L. Day, Inc. | Wheat, First Securities, Inc. |
| Brean Murray, Foster Securities Inc. | Cable, Howse & Ragen | Crowell, Weeden & Co. |
| First Albany Corporation | Foster & Marshall Inc. | Furman Selz Mager Dietz & Birney
<small>Incorporated</small> |
| Gruntal & Co., Incorporated | Interstate Securities Corporation | Jefferies & Company, Inc. |
| Johnson, Lane, Space, Smith & Co., Inc. | The Ohio Company | Parker/Hunter
<small>Incorporated</small> |
| Raymond, James & Associates, Inc. | | Seidler Amdec Securities Inc. |
| Underwood, Neuhaus & Co.
<small>Incorporated</small> | Wedbush, Noble, Cooke, Inc. | Anderson & Strudwick
<small>Incorporated</small> |
| George K. Baum & Company | Bir, Wilson & Co., Inc. | Cantor, Fitzgerald & Co., Inc. |
| Carolina Securities Corporation | B.C. Christopher Securities Co. | D. A. Davidson & Co.
<small>Incorporated</small> |
| Doft & Co., Inc. | Lovett Mitchell Webb & Garrison, Inc. | Schneider, Bernet & Hickman, Inc. |
| Swergold, Chetitz & Sinsabaugh, Inc. | Van Kasper & Company | Williams Securities Group, Inc. |

1,000,000 Shares

The above shares were underwritten by the following group of International Underwriters.

Merrill Lynch Capital Markets

Credit Suisse First Boston Limited

- | | | |
|--|---|--|
| Banque Bruxelles Lambert S.A. | Banque Indosuez | Banque Paribas Capital Markets Limited |
| Crédit Agricole | Crédit Lyonnais | DG BANK
<small>Deutsche Genossenschaftsbank</small> |
| EBC Amro Bank Limited | | Genossenschaftliche Zentralbank AG
<small>Vienna</small> |
| Nomura International Limited | | J. Henry Schroder Wagg & Co. Limited |
| Shearson Lehman Brothers International | | Swiss Bank Corporation International Limited |
| Union Bank of Switzerland (Securities) Limited¹ | | S. G. Warburg & Co. Ltd. |
| Banca Commerciale Italiana | Banca del Gottardo | Bank Julius Baer & Co. Ltd., Zuerich |
| Bank Leu International Ltd | | Bank Leumi Le-Israel (Switzerland), Zuerich |
| Bank Mees & Hope NV | Barclays Merchant Bank Limited | Baring Brothers & Co., Limited |
| Bayerische Vereinsbank
<small>Aktiengesellschaft</small> | | Berliner Handels- und Frankfurter Bank |
| Compagnie de Banque et d'Investissements CBI | | Crédit Commercial de France |
| Crédit du Nord | Deutsche Girozentrale
<small>-Deutsche Kommunalbank-</small> | Deutsche Bank Capital Markets
<small>Limited</small> |
| Robert Fleming and Co Limited | Generale Bank | Hessische Landesbank
<small>-Girozentrale-</small> |
| Hill Samuel & Co. Limited | | Hoare Govett Limited |
| Kredietbank N.V. | Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) | |
| Lloyds Merchant Bank Limited | | Lombard Odier International Underwriters S.A. |
| Merck, Finck & Co. | Samuel Montagu & Co. Limited | NBK Finance SA |
| Sal. Oppenheim jr. & Cie. | | Société Générale |
| Sumitomo Trust International Limited | | Svenska Handelsbanken Group |
| Trinkaus & Burkhardt KGaA, Duesseldorf | | Vereins- und Westbank
<small>Aktiengesellschaft</small> |

¹The principal subsidiary of H.F. Ahmanson & Company is Home Savings of America, F.A., which also conducts business in certain states under the name Savings of America.

INTERNATIONAL COMPANIES and FINANCE

Tokyo's growth, and Peking's caution, may weaken the Colony as a capital market Hong Kong's pre-eminence under threat

AFTER 15 months of spectacular growth, Hong Kong's domestic capital market is about to come of age...

The recent transfer to Japan of the Asian headquarters office of Citibank's investment banking division is symptomatic of a trend...

With the debts of these two companies now in decline, so they are likely to provide less momentum to the local market...

There are a number of other major restraints on the likely growth of the market. The absence of any clearing house...

There are signs that a number of Chinese financial institutions like the China International Trust and Investment Corporation...

Bankers welcome second day of issuing restraint

BANKERS crossed their fingers yesterday and hoped that the spirit of restraint in new issuing activity, indicated by a second quiet day in the Eurobond market...

Dealers say trading prices of recent issues now, more than ever, reflect degrees of support by lead-managers...

The Euro sector, although suffering from oversupply, is playing a firm underlining tone with investors still looking for lower interest rates in Europe...

International placing by Dutch industrial group

HUNTER DOUGLAS, a Dutch-based industrial group, is making an international placing of 2.64m shares...

Australian central bank to tighten regulations

THE RESERVE BANK of Australia is tightening its control over domestic banks whose overseas businesses are rapidly growing...

Olympia & York offers \$548m deal

SALOMON Brothers yesterday launched a \$548m two-part Eurobond issue secured on a Manhattan building...

NZ Government stock oversubscribed

OVERSEAS INVESTORS have demanded an unprecedented amount of New Zealand Government stock with bids totalling NZ\$507m...

SEIBU SAISON GROUP The Restaurant Seibu Ltd. (Kabushiki Kaisha Restaurant Seibu)

U.S. \$50,000,000 3 3/4 per cent. Guaranteed Notes Due 1991 unconditionally and irrevocably guaranteed as to payment of principal and interest by The Dai-ichi Kangyo Bank, Limited with Warrants to subscribe for shares of common stock of The Restaurant Seibu Ltd. Issue Price 100 per cent.

Japanese net sellers of foreign bonds

JAPANESE INVESTORS sold \$1.5bn worth more foreign bonds in the first half of April than they bought...

- Nippon Kangyo Kakumaru (Europe) Limited S. G. Warburg & Co. Ltd. Dai-ichi Kangyo International Limited Banque Nationale de Paris Banque Paribas Capital Markets Limited Commerzbank Aktiengesellschaft Robert Fleming & Co. Limited Kleinwort, Benson Limited Merrill Lynch Capital Markets Mitsubishi Finance International Limited Mitsui Trust Bank (Europe) S.A. The Nikko Securities Co., (Europe) Ltd. Nomura International Limited Saitama Bank (Europe) S.A. J. Henry Schroder Wagg & Co. Limited Union Bank of Switzerland (Securities) Limited Westdeutsche Landesbank Girozentrale Yamaichi International (Europe) Limited

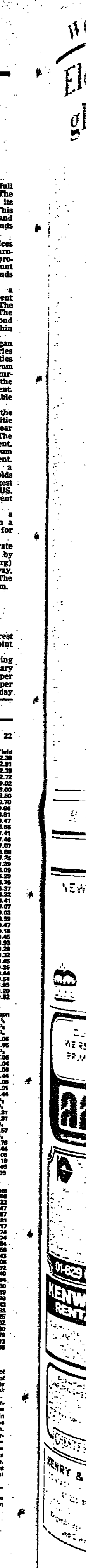
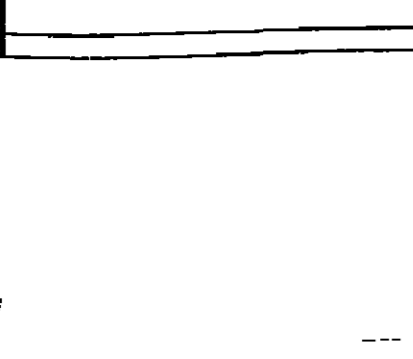
FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on April 22

Table with columns: US DOLLAR STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE BONDS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, JEN STRAIGHTS. Includes bond names, amounts, and prices.

NEW ISSUE

Table listing new issues with columns: Issued, Bid, Offer, Day, Week, Yield. Includes various international bonds.



UK COMPANY NEWS

Ellis & Goldstein profits increase to over £4m

WITH PROFITS increasing from £3.55m to £4.06m in the year ended February 1 1986, Ellis & Goldstein (Holdings) is lifting its dividend from an effective 2.13p to 2.46p net. The final is 1.6p.

The group is a wholesaler of ladies' clothing under the Esterex, Dereta, and Elgora brand names, and operates shops within stores.

All divisions contributed to the improved results, the directors state. Dash continued to develop and now operates 130 units including seven stand alone shops. Its product range is expanding and a start has been made on franchising. Retail turnover increased from £41.98m to £50.81m.

Wholesale sales rose to £24.69m (£22.67m). There has been a significant increase to

the multiples and chain stores, the directors say, especially of merchandise made exclusively for them but sourced from overseas.

The year's profit was struck after net interest of £702,000 (£238,000). After tax of £1.72m (£1.45m) net profit worked through at £2.34m (£2.1m) for earnings of 8.1p (7.3p).

● comment

Having had some first half stock problems to overcome, Ellis & Goldstein has ended the year a little stronger than the market was expecting and the shares rose 1 1/2 to 8 1/2p. The Dash outlets continue to provide the nerve and contributed just under half of group profits.

However, quite what the future holds inside Debenhams (about one seventh of E&G's turnover

but a good deal more of profits) is unclear — certainly the company may lose some premium selling spots as part of Burton's general rethink. The new Jenni Barnes range is aimed at formal wear for the same main market, female aged 25-50, that Dash's leisure outfits appeal to. With almost £300,000 start-up costs in the new range due this year, 1986 looks likely to be one for a slightly slower growth rate. Such costs could be a regular item as E&G looks increasingly to stand-alone ventures for expansion as the store-in-a-store unit may have reached maximum potential.

The only way out of the financing bind, this implies, is to rely on franchising—a decision apparently already made. To look for much more than £4.7m would be to expect too much.

Moss Bros 19% profit increase

GREATER operating effectiveness throughout virtually all areas of business has enabled the Moss Bros group to continue its profit improvement.

● comment

In the year ended January 25, 1986, the pre-tax balance is ahead by 19 per cent from £1.02m to £1.2m, on sales 8 per cent higher at £19.58m.

The group, which retails and hires out clothing and ancillary goods, is paying a final dividend of 4.3p for a net total of 5.745p, compared with 5p.

With regard to the current year, the directors are expecting further progress. Sales early on were a little below budget, but shop improvements and development programmes are continuing. In February the third Occasions shop was opened, in Windsor, and William Morling menswear shop in Canterbury has been purchased.

The profit for the year was struck after allocating £65,000 (£48,000) to employees' profit sharing scheme. Tax takes £484,000 (£382,000) to leave the net profit at £758,000 (£634,000), or 25.01p (20.63p) per share.

Moss Bros, like other clothing retailers, had to endure unseasonal weather and severe competition last year, but its refusal to enter into a price war and some aggressive buying pushed margins up enough to produce profits in line with expectations. The current year has seen a sluggish first quarter with the weather again unfavourable, and in spite of the buoyancy of consumer spending the company expects increasingly astute consumers to put pressure on margins. The profits improvement is therefore going to have to come largely through expansion and the trickle of store openings. These are unlikely to take the pre-tax figure much beyond £1.4m without a substantial acquisition. For the moment, more excitement lies in the possibility that Moss Bros may, after all, win permission to redevelop its Covent Garden site: if it does, the shares at 63p could look conservatively rated on a prospective p/e of 21.

Cosalt doubles midterm profit

Cosalt is continuing its progress. In the half year ended March 2 1986 it has doubled its profit and is lifting the interim dividend from 0.75p to 1.35p net.

For the half year comes to £390,000 (£257,000) for earnings of 3.1p (2.27p).

For the whole of 1984-85 the group almost doubled its pre-tax profit to £1.05m, and lifted the dividend from 0.75p to 2.75p.

● comment

Cosalt's crisis days are over. The set of interims marks the end of two years of cuts and closures and by the year-end every division will contribute to profits. Perhaps perversely ships chandlery — which has bailed out the loss-making divisions for so long — has suddenly been jeopardised by the plunging price of oil. Sales to North Sea oil companies provided 20 per cent of ships chandlery and 10

per cent of group turnover last year. Sales suffered in the first half of the year and will suffer further in the second. The upturn within the caravan division — catalysed by last year's design and marketing programme — should compensate, however, as should the return to profitability of finance, aviation and refrigeration. Cosalt's shares have gained ground as the reorganisation has taken effect. The prospect of a bid from Intermarine Chandlery, which has built up a 19 per cent stake, has added an extra fillip. Yet the prospective p/e of 6.5 on profits of £1.75m and a share price of 85p is still low, even for such a motley collection of companies.

Splash Products joining USM

Splash Products, a novelty T-shirt printed based in Faringdon, Oxfordshire, is joining the Unlisted Securities Market at a value of £3.6m through a placing by brokers Henry Ansbacher.

The company buys plain T-shirts and prints them with original designs aimed mainly at the children's, teenage and tourist markets. Other products include printed sweatshirts and underwear.

Since then the range of products has grown and they now sell in retail stores, airport shops, motorway service areas and newsagents. Pre-tax profits have risen from £118,000 in 1981 to £402,000 in the year to last October.

Some 1.6m shares are being sold at 72p a share, raising £565,000 for the company and £482,000 for existing shareholders. The historic p/e ratio at the placing price is 12.

Splash says it plans to use the proceeds to help finance its working capital requirements and strengthen its capital base. It wants to continue development of new products and intends to expand its markets,

particularly overseas. The company says the current year has started well with turnover comfortably ahead in the first five months and says its new products have been enthusiastically received.

● comment

Splash is in a niche market where entry costs are low and competition is intense. Prices have not risen for two years, so turnover has shown little progress, and last year's pre-tax profits would have been virtually stagnant had it not been for exceptional items. There is no forecast for the current financial year, but prospects have been clouded by the bad weather and gloom over tourism while at the same time Splash has incurred loans of £390,000 buying cheap T-shirts. The income from the placing could ensure a profits increase this year but beyond that investment in the company is a considerable act of faith.

State Bank of India

State Bank of India announces that its base rate is reduced from 11% to 10 1/2% per annum with effect from April 22nd, 1986

Deposit Rates are	Gross Interest	Net Interest
7 days notice	6.77%	4.75%
21 days' notice	7.49%	5.25%

Interest paid half yearly

Main Office in the U.K.
State Bank House, 1 Milk Street, London EC2

SAC Internl. 46% ahead at halfway

Reporting a 46 per cent growth in first-half profits, the directors of SAC International say they are encouraged by the outcome and look forward to the next six months with confidence.

Turnover of this design engineering group rose from £7.5m to £8.8m, with overseas sales showing particularly strong growth, from which a gross profit of £1.72m (£1.44m) was achieved.

Pre-tax profits for the period was £703,000, compared with £481,000. Earnings come to 2.82p (2.63p) and an interim dividend of 0.65p is declared.

LADBROKE INDEX
1,392.198 (+1)
Based on FT Index
Tel: 01-427 4411

NOTICE OF REDEMPTION

To the Holders of

Comalco Limited

10% Notes Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture, dated as of April 1, 1975, under which the above described Notes were issued, Comalco Limited has elected to redeem on May 14, 1986 all of its outstanding Notes, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

On May 14, 1986, the Notes will become due and payable as provided in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. Said Notes will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Street, New York, New York 10015, or (b) subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London, Paris or Tokyo, or Bank Mees & Hope NV in Amsterdam or Credito Romagnolo S.p.A. in Milan and Rome, or Banque Generale du Luxembourg S.A. in Luxembourg. Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with a bank in the Borough of Manhattan, City and State of New York.

Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-9, certifying under penalty of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalty of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct tax security number on an IRS Form W-9 and who fail to do so may be subject to a penalty of 45%. Please therefore provide the appropriate certification when presenting your securities for payment.

On and after May 14, 1986, interest shall cease to accrue on the Notes.

Dated: April 14, 1986

COMALCO LIMITED

MORE PAPERS THAN MR PICKWICK

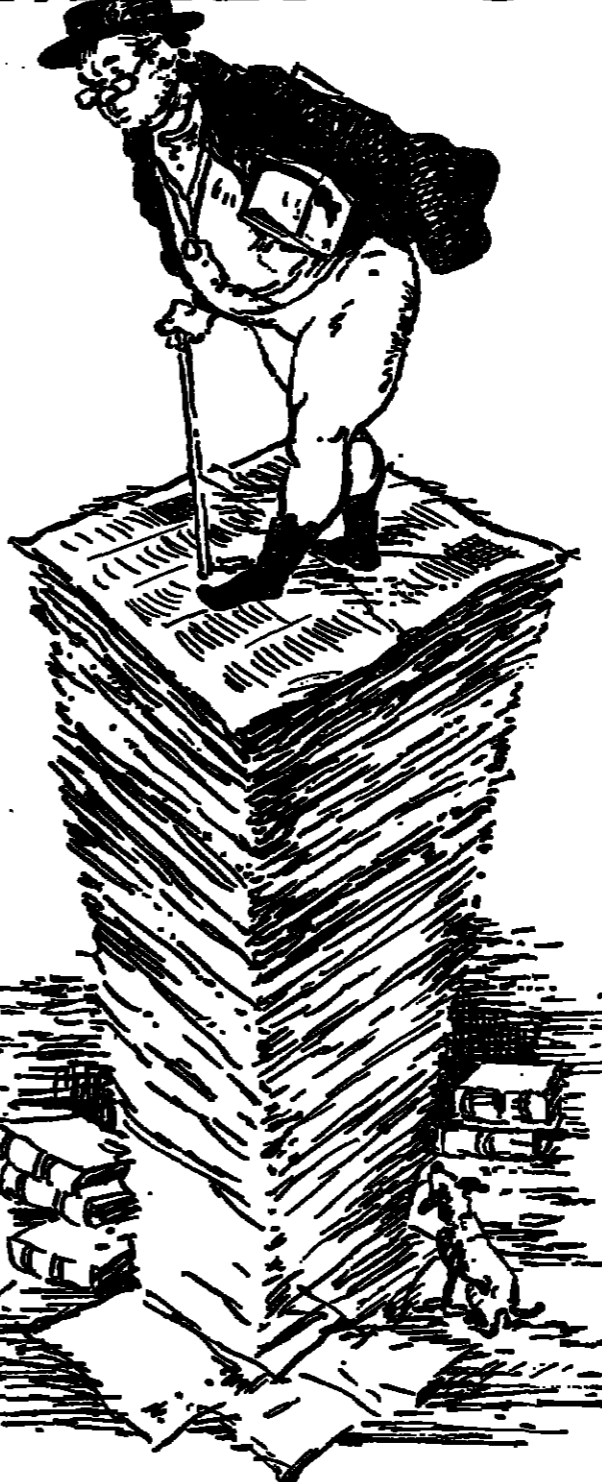
The biggest free morning newspaper in the world is in Birmingham. It has evolved from Reed Publishing's strong presence in regional newspapers.

Since 1981 we have built a business which produces 5.5 million copies of regional newspapers every week. Today 5 million of them are free.

Once again Reed Publishing is moving with changing media patterns and the fresh needs that result. Regional newspapers make up Britain's second-largest advertising medium with £984m total revenues. Reed Publishing have a 5% share.

We planned a newspaper group with good geographical spread: our newspapers now circulate in the North West, North East, the West Midlands, Essex, the West Country and prosperous areas of Greater London.

Reed Publishing's progress has been marked by imaginative product development. An excellent example of this is the Birmingham Daily News. This free morning daily was launched as recently as October 1984 and has a guaranteed distribution of 350,000 copies — with total penetration of its targeted area. It is delivered punctually between 7.00 and 8.00 a.m. and advertisers report high levels of same day response. Its success is firmly based on a combination of the news and advertising that readers and advertisers like and want.



As with Reed Publishing's regional newspapers, both free and paid for, it is self-contained, with editorial and commercial staff integrated into the community. With titles as old as Berrows Journal, founded in 1690, and as young as the Daily News, Reed's regional newspapers encompass the best of the traditional and the most imaginative of the new in the regional press.

REED PUBLISHING

A Reed International Company

NEWSPAPERS • DATABASES • JOURNALS • EXHIBITIONS • GUIDES • DIRECTORIES • LAW

A VITAL PART OF YOUR BUSINESS

Reed Publishing Limited, Quadrant House, The Quadrant, Sutton, Surrey SM2 5AS

FT LAW REPORTS

No Euro-defence to potato levy case

POTATO MARKETING BOARD v. DRYSDALE

Court of Appeal: Lord Justice Balcombe and Sir John Megaw: March 25 1986

TO SUCCEED on an appeal from summary judgment for refusing to pay contributions due to a statutory body, the defendant must show he has an arguable defence, and if his reason for withholding payment was that he awaited the result of a similar case, he will not be granted leave to defend if his evidence would prove no more than was proved in that case, and identical defences were there held to be unarguable.

The Court of Appeal so held when dismissing an appeal by Mr John Drysdale from Sir Neil Lawson's judgment upholding a decision of Mr Deputy Registrar Robin Mitchell that the Potato Marketing Board was entitled to summary judgment against Mr Drysdale for potato levy contributions. The contributions were due under the Potato Marketing Scheme 1955 as amended by the Potato Marketing Scheme (Amendment) Orders, 1962, 1971 and 1976.

LORD JUSTICE BALCOMBE, giving the judgment of the court, said that the common facts agreed between the parties were that the Potato Marketing Scheme provided for the registration of potato producers with a planting area of four-tenths of a hectare or more. Every registered producer was required to pay the board an ordinary contribution based on a rate per hectare and where he exceeded the quota area, an excess area contribution.

The purpose of the excess area contribution was to discourage excessive market support. Not all registered producers were content with the board's operations and some had been unwilling to pay contributions.

On December 1980 the board issued a summons against registered producers called Robertson for their 1979 contribution. On December 4 1981 it issued another summons against Mr Drysdale for his 1980 contribution.

Mr Drysdale served a defence, saying he believed the board's claim to be illegal under the Treaty of the European Economic Community (EEC), and that he was withholding payment unless the case against Robertson proved otherwise.

On September 8 1982 Judge Clark, QC, gave judgment in the Robertson case ([1983] 1 CML 297).

Robertson had raised separate defences under articles 34, 37 and 86 of the EEC Treaty. The judge rejected all three.

On the defence under article 34 (that the system had an effect equivalent to quantitative restrictions on exports), he found that the board's opera-

tions had no restrictive effect on potato exports.

On the defence under article 37 (that the board was a state monopoly of a commercial character, discriminating between nationals of member states) he held that even if, contrary to his view, the board was a state monopoly of a commercial character, no discrimination had been proved.

On the defence under article 86 (that the board had abused a dominant position in the Common Market) he held that the board did not have a dominant position, and no abuse had been proved.

Shortly after that judgment, the board wrote to Mr Drysdale stating its intention to proceed to the action. Mr Drysdale refused to pay as Robertson's was under appeal.

The board obtained an order against Mr Drysdale for payment of the potato levy. Mr Drysdale applied to the court to set aside the order, with judgment in default. No sum was ever paid in aid, on December 22 1983, judgment in default of payment was entered.

On June 29 1984 the Robertson appeal to the Court of Appeal was dismissed by consent. Mr Drysdale now sought a stay in the present proceedings, on the issue estoppel under EEC law as were raised by Robertson.

The board having obtained judgment under Order 14 of the court, said that the common facts agreed between the parties were that the Potato Marketing Scheme provided for the registration of potato producers with a planting area of four-tenths of a hectare or more.

Every registered producer was required to pay the board an ordinary contribution based on a rate per hectare and where he exceeded the quota area, an excess area contribution.

The purpose of the excess area contribution was to discourage excessive market support. Not all registered producers were content with the board's operations and some had been unwilling to pay contributions.

On December 1980 the board issued a summons against registered producers called Robertson for their 1979 contribution. On December 4 1981 it issued another summons against Mr Drysdale for his 1980 contribution.

Mr Drysdale served a defence, saying he believed the board's claim to be illegal under the Treaty of the European Economic Community (EEC), and that he was withholding payment unless the case against Robertson proved otherwise.

On September 8 1982 Judge Clark, QC, gave judgment in the Robertson case ([1983] 1 CML 297).

Robertson had raised separate defences under articles 34, 37 and 86 of the EEC Treaty. The judge rejected all three.

On the defence under article 34 (that the system had an effect equivalent to quantitative restrictions on exports), he found that the board's opera-

tions had no restrictive effect on potato exports.

On the defence under article 37 (that the board was a state monopoly of a commercial character, discriminating between nationals of member states) he held that even if, contrary to his view, the board was a state monopoly of a commercial character, no discrimination had been proved.

On the defence under article 86 (that the board had abused a dominant position in the Common Market) he held that the board did not have a dominant position, and no abuse had been proved.

Shortly after that judgment, the board wrote to Mr Drysdale stating its intention to proceed to the action. Mr Drysdale refused to pay as Robertson's was under appeal.

The board obtained an order against Mr Drysdale for payment of the potato levy. Mr Drysdale applied to the court to set aside the order, with judgment in default. No sum was ever paid in aid, on December 22 1983, judgment in default of payment was entered.

On June 29 1984 the Robertson appeal to the Court of Appeal was dismissed by consent. Mr Drysdale now sought a stay in the present proceedings, on the issue estoppel under EEC law as were raised by Robertson.

The board having obtained judgment under Order 14 of the court, said that the common facts agreed between the parties were that the Potato Marketing Scheme provided for the registration of potato producers with a planting area of four-tenths of a hectare or more.

Every registered producer was required to pay the board an ordinary contribution based on a rate per hectare and where he exceeded the quota area, an excess area contribution.

The purpose of the excess area contribution was to discourage excessive market support. Not all registered producers were content with the board's operations and some had been unwilling to pay contributions.

On December 1980 the board issued a summons against registered producers called Robertson for their 1979 contribution. On December 4 1981 it issued another summons against Mr Drysdale for his 1980 contribution.

Mr Drysdale served a defence, saying he believed the board's claim to be illegal under the Treaty of the European Economic Community (EEC), and that he was withholding payment unless the case against Robertson proved otherwise.

incumbent on Mr Drysdale, who was closely concerned with the progress of Robertson's to be very specific as to why he should be given leave to litigate issues of fact decided in favour of the board in that case.

The court could not ignore the decision in Robertson, especially because when it suited him, Mr Drysdale chose to hang on to the Robertson's costs. The affidavits sworn on his behalf in the present proceedings were not sufficiently specific or detailed to persuade the court that he had an arguable case on the facts over and above the agreed facts.

So, if the matter were to depend solely on Mr Drysdale's establishing facts beyond the agreed facts, there could be no sufficient ground for granting leave to litigate.

As to the law, article 34 (1) provided that quantitative restrictions on exports and all measures having equivalent effect were prohibited between member states.

Mr Prout, for Mr Drysdale, submitted that the system taken as a whole had an inherent bias against exports.

After careful consideration of article 34 and European Court decisions (see Dassonville [1974] ECR 837, Pigeon [1978] ECR 3347, and Oebel [1981] ECR 2087), the court was satisfied that the system was not biased against exports.

If one compared the situation as it was with the situation as it would be were there no such measures, one could not say as a matter of necessary inference, that the absence of those measures would lead to an increase of exports.

Article 37 provided that member states should adjust any state monopolies of a commercial nature so as to ensure that no discrimination benefited the conditions under which goods were produced and marketed existed between nationals of member states.

The article applied to a body through which a member state directly or indirectly supervised, determined or appreciably influenced imports or exports between member states.

There was no evidence that the board determined or appreciably influenced exports. That disposed of the defence under article 37.

Article 86 provided that any abuse by a dominant position within the Common Market or in a substantial part of it, should be prohibited as incompatible with the Common Market so far as it might affect trade between member states.

Neither the agreed facts, nor any inference that might fairly be drawn therefrom, established that consumers were prejudiced by the board's activities. Indeed, they might be prejudiced by the stability which the system was designed to ensure.

Nor was there any evidence that the system affected trade between member states: that the "quantitative restriction on exports" point in another guise. So it was unnecessary to decide whether the board had a dominant position within a substantial part of the Common Market (viz Great Britain).

Mr Drysdale sought to raise one defence which was not raised in Robertson, under article 16.

That article provided that member states should abolish between themselves customs duties on exports and charges having equivalent effect.

Prima facie, article 16 only extended to charges levied by reason of goods crossing frontiers. However, Mr Prout referred to Apple and Pear Development Council [1985] ECR 4083, where the Council claimed against a registered grower for payment of the area planted.

The court referred a number of questions to the European Court under article 17, including a question relating to the levy. The European Court held that the levy fell within the scope of article 16, but since it did not apply to imported produce and only affected produce intended for export in the same way as produce sold on the home market, it did not raise any problem in relation to article 16.

The court went on to hold that the Treaty rendered unlawful the requirement for growers to finance the activities of a body such as the Council in so far as those activities were contrary to the provisions of the Treaty.

Neither the common facts, nor the inferences that might properly be drawn from them established that any of the board's activities were contrary to any of the provisions of the Treaty.

Accordingly, there was no arguable defence under article 16.

The appeal was dismissed. For the Potato Marketing Board: C. W. Bellamy QC and S. N. Morris (Ellis and Fairbairn).

For Mr Drysdale: C. J. Prout (J. C. H. Bouldier and Sons, Shrewsbury).

By Rachel Davies, Barrister

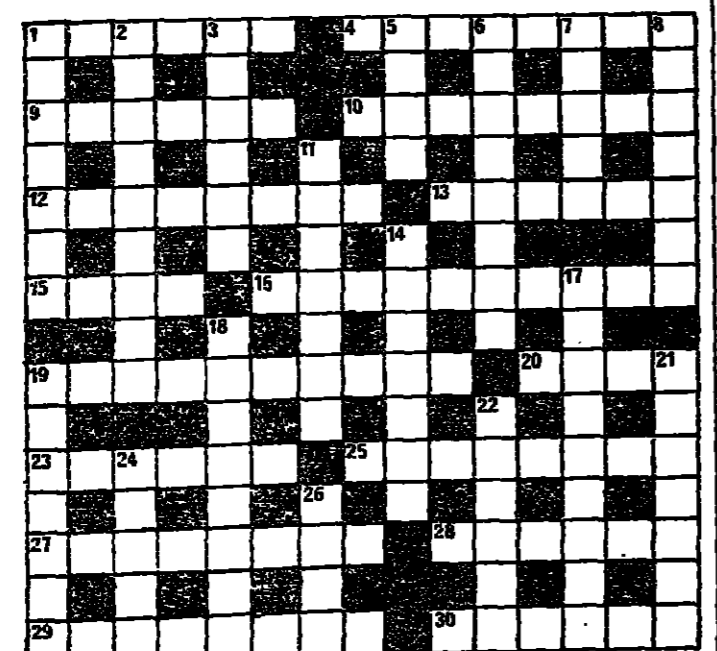
AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Growth Fund, Abbey Income Fund, etc., with columns for name, manager, and other details.

FT UNIT TRUST INFORMATION SERVICE

Large table listing numerous unit trusts including Eastern Fund Managers, Eastern Growth Fund, Eastern Income Fund, etc., with columns for name, manager, and other details.

F.T. CROSSWORD PUZZLE No. 6,004



- ACROSS
1 Network production featuring Shakespearean fairy (8)
4 Writer able to handle jam? (8)
7 Public given to holding clergyman up (5)
8 Desire to know about cook's domain? (7)
11 Hoarding in fencings (7)
14 Quite understand lies are out of order (7)
17 Child frustrating clean at church by being a hindrance (8)
18 Way to get round very small vegetable-flower (5-3)
19 Form design for work in ordinary language (7)
21 Fieldwork carried out up to years of maturity? (7)
22 Anger at companion's odd role (6)
24 Rendezvous in some sultry strip-joint (5)
26 Mineral used in crystal chandeliers (4)
DOWN
1 In France, it's good to bring a doctor into the room? (7)
2 One who intimidates animal-sleeper (9)
3 Rates perhaps, whose model is in with a fifty-fifty chance (6)

Solution to Puzzle No. 6,003
ACROSS
1. NETWORK
4. JAMMER
7. CLERGYMAN
8. COOKBOOK
11. HOARDING
14. UNDERSTAND
17. CHILD
18. WAY
19. FORM
21. FIELDWORK
22. ANGER
24. RENDEZVOUS
26. MINERAL
DOWN
1. IN FRANCE
2. ONE WHO
3. RATES

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, companies, and their details. Includes columns for company names, product names, and numerical values.

INSURANCES

Table listing insurance companies and their details, including names and contact information.

Handwritten text: 05/10/86

For Capital Unit and Other Prices See Page 35

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds with columns for fund name, company, and price/percentage change.

Table listing various overseas funds with columns for fund name, company, and price/percentage change.

Table listing various money funds with columns for fund name, company, and price/percentage change.

Table listing various money funds with columns for fund name, company, and price/percentage change.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas funds with columns for fund name, company, and price/percentage change.

TRADITIONAL OPTIONS

Table listing traditional options with columns for option name, company, and price/percentage change.

Money Market Trust Funds

Table listing money market trust funds with columns for fund name, company, and price/percentage change.

Money Market Bank Accounts

Table listing money market bank accounts with columns for account name, company, and price/percentage change.

Notes and disclaimers regarding the data provided in the tables.

COMMODITIES AND AGRICULTURE

Budget warning to Farm Ministers

BY QUENTIN PEELE IN LUXEMBOURG

EEC FARM Ministers were warned yesterday that they cannot afford to make any further concessions to their farmers on prices for the coming year, because their budget is already hugely over-

Finance Minister colleagues, due to meet next week. Mr Ignaz Kiechle, the West German Farm Minister, who last year vetoed a price cut for cereals, is fighting the Commission's system for a "hidden price cut" in the form of a planned co-responsibility levy on grain farmers.

From the French side, Mr Francois Guillaume, the former farmers' union leader now translated into Agriculture Minister, demanded price increases for dairy farmers to compensate for the further cuts in production quotas they are likely to face.

The Commission proposes to cover most of the destocking costs, including the cereals levy and reduced payments to the member states for the costs of storage, and for national interest payments.

Doing the green currency shuffle

BY A SPECIAL CORRESPONDENT

ONCE AGAIN a reshuffle of the currencies in the European Monetary System (EMS) has come to the fore. The Community fixing of farm support prices. It has also shown, yet again, the strong link between the timing of EMS reshuffles and the needs of farm price negotiators.

avoiding the creation of fresh positive mca's where for example the DM is revalued as against the other currencies. A monetary corrective which in effect revalues the agricultural U.C. (European Currency Unit). This corrective takes the

include a maximum of 7.8 per cent for France and smaller, but nevertheless still significant, rises for Ireland, Belgium and Denmark.

The impact of the mechanism for dismantling new positive MCA's in terms of ratcheting up farm prices in countries with weaker currencies, is amply demonstrated. The Commission strategy for stabilising CAP prices in nominal terms, and hence cutting them in real terms, is undermined and the wrong price signals continue to be given to farmers.

SCOPE FOR FARM PRICE RISES THROUGH "GREEN" RATE CHANGES. Table with columns for 'Up to April 6' and 'Now %' for various countries like West Germany, France, Belgium, etc.

Argentina to eliminate cereals tax

ARGENTINA will gradually eliminate taxes on its cereals exports, President Raul Alfonsin announced yesterday, but he did not say how long the process would take, reports Reuters from Buenos Aires.

Indian tobacco earnings slide

BY F. C. MAHANTI IN CALCUTTA

A SHARP fall in tobacco exports is threatening widespread economic distress in the Indian growing belt, spread over the states of Andhra Pradesh and Karnataka.

Australia's harvest hopes hit by dry weather

BY PATRICIA NEWBY IN MELBOURNE

AUSTRALIA'S 1986-87 wheat crop is expected to be lower than the harvest just completed because of unusually dry weather over the eastern states wheat belt.

Nigerian crop boards to be scrapped

THE NIGERIAN Cabinet Office has announced that all the crop commodity boards will be phased out by December to allow a "freer marketing system whereby farmers would be involved in direct marketing of their products while the role of the government would be merely regulatory, reports Reuters from Lagos. The boards will stop trading by June 30, it added.

Weekly Metals

All prices as supplied by Metal Bulletin. ANTIMONY: European free market, 98.5 per cent, \$ per tonne, in warehouse, 2,750-2,800.

WEEKLY METALS

MOLYBDENUM: European free market, drummed molybdenic oxide, \$ per lb Mo, in warehouse, 2.58-2.63.

WEEKLY METALS

SELENIUM: European free market, min 99.5 per cent, \$ per lb, in warehouse, 5.75-6.25.

WEEKLY METALS

TUNGSTEN ORE: European free market, standard min 65 per cent, \$ per tonne unit 60, cif, 47-55.

LONDON MARKETS

THE SHARP upturn in London Metal Exchange aluminium prices which began towards the end of last week accelerated yesterday with the cash price gaining another 221 to 2796 a tonne.

INDICES

REUTERS. Apr. 22-23 1986. 1985-86. 1984-85. 1983-84. (Base: September 19 1981=100)

MAIN PRICE CHANGES

Table showing price changes for various metals like Aluminium, Copper, Lead, Zinc, Nickel, Tin, etc.

ALUMINIUM

Table for Aluminium prices: Unofficial + or - of closing, High/Low, etc.

COPPER

Table for Copper prices: Higher grade, Unofficial + or - of closing, High/Low, etc.

MEAT

Table for Meat prices: Pigmeat prices opened on a steady note, etc.

LEAD

Table for Lead prices: Unofficial + or - of closing, High/Low, etc.

NICKEL

Table for Nickel prices: Unofficial + or - of closing, High/Low, etc.

ZINC

Table for Zinc prices: Unofficial + or - of closing, High/Low, etc.

GOLD

Table for Gold prices: Gold rose 5 1/2 an ounce from Monday's close in the London bullion market yesterday to finish at \$347.34/oz.

GOLD AND PLATINUM COIN

Table for Gold and Platinum coin prices.

SILVER

Table for Silver prices: Silver was fixed 4.46 an ounce lower for spot delivery in the London bullion market yesterday.

RUBBER

Table for Rubber prices: PH 31/2ALS - The London market for rubber continued to show interest throughout the day and closed 1 1/2 up.

WHEAT

Table for Wheat prices: WHEAT - Yesterday + or - of yesterday + or - of business done.

THAI OFFSHORE TIN PRODUCTION SUSPENDED

THAILAND'S first known victims of the international tin crisis have emerged with the announcement that Aokhath Thai Company and Tungkhay Company are suspending offshore tin production in southern Thailand, writes Bangkok Kham in Bangkok.

US MARKETS

THE OFEC confirmation of a majority accord on an output ceiling for the third quarter did little to inspire energy futures or precious metals, reports Herald Commodities.

NEW YORK

Table for New York prices: ALUMINIUM 40,000 lb, cents/lb.

LIVE CATTLE

Table for Live Cattle prices: LIVE CATTLE 40,000 lbs, cents/lb.

LIVE HOGS

Table for Live Hogs prices: LIVE HOGS 30,000 lbs, cents/lb.

MAIZE

Table for Maize prices: MAIZE 2,000 lb min, cents/50-bushel.

PORK

Table for Pork prices: PORK BELLEVILLE 30,000 lbs, cents/lb.

RYEBARS

Table for Ryebars prices: RYEBARS 5,000 lb min, cents/50-bushel.

SOYABEAN MEAL

Table for Soyabean Meal prices: SOYABEAN MEAL 100 tons, \$/ton.

SOYABEAN OIL

Table for Soyabean Oil prices: SOYABEAN OIL 50,000 lbs, cents/lb.

WHEAT

Table for Wheat prices: WHEAT 5,000 lb min, cents/50-bushel.

POTATOES

Table for Potatoes prices: POTATOES 5,000 lb min, cents/50-bushel.

GAS OIL FUTURES

Table for Gas Oil Futures prices: GAS OIL FUTURES.

FREIGHT FUTURES

Table for Freight Futures prices: FREIGHT FUTURES.

CATHODES

Table for Cathodes prices: CATHODES.

COTTON

Table for Cotton prices: COTTON 50,000 lb, cents/lb.

ORANGE JUICE

Table for Orange Juice prices: ORANGE JUICE 15,000 lb, cents/lb.

PLATINUM

Table for Platinum prices: PLATINUM 50 Troy oz, \$/Troy oz.

SILVER

Table for Silver prices: SILVER 50,000 lb, cents/lb.

SUGAR

Table for Sugar prices: SUGAR WORLD 111, 112,000 lbs, cents/lb.

MAIZE

Table for Maize prices: MAIZE 2,000 lb min, cents/50-bushel.

RYEBARS

Table for Ryebars prices: RYEBARS 5,000 lb min, cents/50-bushel.

SOYABEAN MEAL

Table for Soyabean Meal prices: SOYABEAN MEAL 100 tons, \$/ton.

SOYABEAN OIL

Table for Soyabean Oil prices: SOYABEAN OIL 50,000 lbs, cents/lb.

WHEAT

Table for Wheat prices: WHEAT 5,000 lb min, cents/50-bushel.

POTATOES

Table for Potatoes prices: POTATOES 5,000 lb min, cents/50-bushel.

GAS OIL FUTURES

Table for Gas Oil Futures prices: GAS OIL FUTURES.

FREIGHT FUTURES

Table for Freight Futures prices: FREIGHT FUTURES.

CATHODES

Table for Cathodes prices: CATHODES.

JUTE

Table for Jute prices: JUTE.

WHEAT

Table for Wheat prices: WHEAT.

MAIZE

Table for Maize prices: MAIZE.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to ease

The dollar continued to lose ground yesterday but finished some way above the day's lows. There was some reaction to the sharp pace of the dollar's decline with profit-taking helping the dollar to salvage something from a sharp drop overnight in the Far East. The decline had been triggered by comments made by President Reagan, claiming that the yen's appreciation had been legitimate. There was also increased speculation that the US Fed was likely to cut its discount rate again to help a sagging economy. However, the pace of the dollar's decline eventually had an unsettling influence and although sentiment remained bearish, there was little desire to prompt central banks into acting to curb a disorderly market. Economic figures released yesterday included US March durable goods orders and these showed a fall of 2.5 per cent compared with a revised fall of 0.8 per cent in February and well below market expectations of a 0.4 per cent rise. The dollar fell to a record close of ¥189.05 from ¥192.05. It touched a sliding low of ¥189.10. Against the Swiss franc it fell to a five-year low of DM 2.1955 from DM 2.2060 and against the West German mark it fell to a five-year low of Sfr 2.79 from Sfr 2.8130. On Bank of England figures, the dollar's

£ IN NEW YORK

Table with columns: Date, Close, One month, % Three months, % Six months. Data for April 22, 23, 24.

exchange rate index fell from 115.4 to 114.5. STERLING—Trading range against the dollar in 1986 is 1.5245 against 1.5770. March average 1.6681. Exchange rate index 75.5 at the opening and Monday's close. The six months ago figure was 81.0. Sterling finished the day below its best level. Its close against the dollar was over a cent down from the day's high at \$1.5140 still slightly up from Monday's close of \$1.5115 but not enough to prevent an overall loss against the major European trading partners. Against the Deutsche mark it ended at DM 2.1955 from DM 2.2060 and against the Swiss franc at Sfr 2.79 from Sfr 2.8130. On Bank of England figures, the dollar's

FINANCIAL FUTURES

Selling develops

Prices fell on the London International Financial Futures Exchange yesterday, in further disappointing reaction to the surprising fall of 2.5 per cent in March US durable goods orders. June US Treasury bonds opened at 103-23, and rallied ahead of the durable goods announcement. The contract hit a peak of 104-14 as buying demand increased on the economic figures, including an unexpected 0.4 per cent fall in March US consumer prices. This was in line with expectations, but the fall in February durable goods orders was revised to 0.6 per cent from the previous estimate of 1.2 per cent, and selling began to develop. When the market failed to follow London dealers found the decline rather worrying, and may be wondering whether the market has now discounted so much good news, as far as the weaker US economy and falling interest rates are concerned, that there could now be a reverse in sentiment. June Eurodollar futures closed slightly above the day's low.

LIFFE LONG GILT FUTURES OPTIONS

Table with columns: Strike, Call, Put, Last, Mar, Jun, Sep, Dec. Data for various strike prices.

LIFFE US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Last, Mar, Jun, Sep, Dec. Data for various strike prices.

LIFFE £/S OPTIONS

Table with columns: Strike, Call, Put, Last, Mar, Jun, Sep, Dec. Data for various strike prices.

LONDON £/S OPTIONS

Table with columns: Strike, Call, Put, Last, Mar, Jun, Sep, Dec. Data for various strike prices.

PHILADELPHIA S/E/ OPTIONS

Table with columns: Strike, Call, Put, Last, Mar, Jun, Sep, Dec. Data for various strike prices.

LIFFE-EURODOLLAR OPTIONS

Table with columns: Strike, Call, Put, Last, Mar, Jun, Sep, Dec. Data for various strike prices.

POUND SPOT—FORWARD AGAINST POUND

Table with columns: Date, Close, One month, % Three months, % Six months. Data for April 22, 23, 24.

CURRENCY MOVEMENTS

Table with columns: Country, Index, Change, % Change. Data for various currencies.

CHICAGO

Table with columns: Date, Close, High, Low, Prev. Data for various commodities.

25-YEAR 12% NOTIONAL GILT

Table with columns: Date, Close, High, Low, Prev. Data for various bond futures.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table with columns: Date, Close, One month, % Three months, % Six months. Data for various currencies.

CURRENCY RATES

Table with columns: Date, Bank, Special Drawing, European, % Change. Data for various currencies.

OTHER CURRENCIES

Table with columns: Date, Country, Index, Change, % Change. Data for various currencies.

STERLING INDEX

Table with columns: Date, Index, Change, % Change. Data for various currencies.

EXCHANGE CROSS-RATES

Table with columns: Date, Country, Index, Change, % Change. Data for various currencies.

OTHER CURRENCIES

Table with columns: Date, Country, Index, Change, % Change. Data for various currencies.

STERLING INDEX

Table with columns: Date, Index, Change, % Change. Data for various currencies.

STERLING INDEX

Table with columns: Date, Index, Change, % Change. Data for various currencies.

EURO-CURRENCY INTEREST RATES

Table with columns: Date, Term, Rate, % Change. Data for various interest rates.

OTHER CURRENCIES

Table with columns: Date, Country, Index, Change, % Change. Data for various currencies.

STERLING INDEX

Table with columns: Date, Index, Change, % Change. Data for various currencies.

STERLING INDEX

Table with columns: Date, Index, Change, % Change. Data for various currencies.

MONEY MARKETS

Bank of England turns the screw

The Bank of England tightened the screw on the London money market yesterday, lending money for seven days to the discount houses at a rate of 11 1/2 per cent. This was above the prevailing market rate for seven-day funds and 1 per cent above the level at which the authorities lent seven-day money to the houses on Monday. After the normal bill purchase the market was around 232m short, according to the official forecast, and the discount houses had again shown reluctance to sell longer dated bills, at existing official intervention rates, on hopes of lower bank base rates in the near future. Rather than provide the normal late assistance, the Bank of England offered borrowing facilities to the houses at 2.30 p.m. The terms indicated the reluctance of the authorities to see another cut in base rates at present, but the market showed little reaction, with three-month money finishing unchanged at 10 1/2 per cent. The Bank of England forecast a money market shortage of 2850m initially, but changed this to 2900m at noon, and to 2950m in the afternoon. Total help on

the day was 2840m. In an early round of assistance the authorities bought 257m bills outright, by way of 231m bank bills in band 1 at 10 1/2 per cent; 23m local authority bills in band 2 at 10 1/2 per cent; and 272m bank bills in band 3 at 10 1/2 per cent. Another 231m bills were purchased outright before lunch, through 244m bank bills in band 1 at 10 1/2 per cent; 224m bank bills in band 2 at 10 1/2 per cent; and 23m bank bills in band 3 at 10 1/2 per cent.

NEW YORK RATES

Table with columns: Term, Rate, % Change. Data for various interest rates.

in band 4 at 10 1/2 per cent. In the afternoon 227m bills were bought outright, by way of 223m bank bills in band 2 at 10 1/2 per cent; 240m bank bills in band 3 at 10 1/2 per cent; and 24m local authority bills in band 4 at 10 1/2 per cent. Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained 2547m, and the unwinding of a gilt edged repurchase agreement another 2504m.

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate, % Change. Data for various interest rates.

UK clearing banks base lending rate 10 1/2 per cent since April 21.

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate, % Change. Data for various interest rates.

and a take-up of Treasury bills drained 2547m, and the unwinding of a gilt edged repurchase agreement another 2504m.

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate, % Change. Data for various interest rates.

MONEY RATES

Table with columns: Date, Term, Rate, % Change. Data for various interest rates.

OTHER CURRENCIES

Table with columns: Date, Country, Index, Change, % Change. Data for various currencies.

STERLING INDEX

Table with columns: Date, Index, Change, % Change. Data for various currencies.

STERLING INDEX

Table with columns: Date, Index, Change, % Change. Data for various currencies.

London Commodity Charts - for clear presentation - for the ability to update your own charts. Includes contact information for London Commodity Charts at 28 Panton Street, Cambridge, CB2 1DH.

Company Announcements - ABERCOM GROUP LIMITED ("ABERCOM") ANNOUNCEMENT. Mr Peter Herbert, Chairman and Chief Executive Officer of Abercom has intimated his intention to retire from these positions in order to pursue his own personal business interests in South Africa and abroad.

Exhibitions - EXHIBITION AND CONFERENCE ON PORT AND HARBOUR, PORTX '87 THE LARGEST EVER IN CHINA. Shanghai Exhibition Centre, China. An ideal opportunity to meet the authorized representatives from all the ports of China.

Manufacturers Hanover - is pleased to announce the opening of our new subsidiary in Sweden. Manufacturers Hanover Bank Sverige. The addition of this subsidiary expands and strengthens our worldwide network of over 100 offices in 42 countries. It indicates our continued commitment to the international corporate and financial communities.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield. Includes sections for 'Shorts (Lives up to Five Years)', 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS - Cont.

Table of American Stocks with columns for Name, Price, Dividend, and Yield. Includes sections for 'CANADIANS', 'BANKS, HP & LEASING', 'CORPORATION LOANS', and 'COMMONWEALTH & AFRICAN LOANS'.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits with columns for Name, Price, Dividend, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, Dividend, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Price, Dividend, and Yield.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, Roads stocks with columns for Name, Price, Dividend, and Yield.

DRAPERY & STORES - Cont.

Table of Drapery & Stores stocks with columns for Name, Price, Dividend, and Yield.

ELECTRICALS

Table of Electricals stocks with columns for Name, Price, Dividend, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics stocks with columns for Name, Price, Dividend, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Price, Dividend, and Yield.

BUILDING, TIMBER, ROADS

Table of Building, Timber, Roads stocks with columns for Name, Price, Dividend, and Yield.

ENGINEERING

Table of Engineering stocks with columns for Name, Price, Dividend, and Yield.

ENGINEERING - Continued

Table of Engineering stocks with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS - Continued

Table of Industrial stocks with columns for Name, Price, Dividend, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. stocks with columns for Name, Price, Dividend, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Name, Price, Dividend, and Yield.

Handwritten signature or stamp at the bottom left of the page.

INDUSTRIALS—Continued. Table listing various industrial stocks with columns for stock name, price, and other financial metrics.

LEISURE—Continued. Table listing leisure-related stocks such as hotels, resorts, and entertainment companies.

PROPERTY—Continued. Table listing real estate and property-related stocks.

INVESTMENT TRUSTS—Cont. Table listing various investment trusts and funds.

FINANCE, LAND—Cont. Table listing financial and land-related stocks.

INSURANCE. Table listing insurance companies and their stock prices.

PROPERTY. Table listing property-related stocks, including real estate and trusts.

PROPERTY. Table listing property-related stocks, including real estate and trusts.

FINANCE, LAND, etc. Table listing financial and land-related stocks.

PLANTATIONS. Table listing plantation-related stocks.

LEISURE. Table listing leisure-related stocks.

PROPERTY. Table listing property-related stocks.

PROPERTY. Table listing property-related stocks.

FINANCE, LAND, etc. Table listing financial and land-related stocks.

PLANTATIONS. Table listing plantation-related stocks.

NOTES. A section containing various notices, announcements, and legal notices.

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates
Option
*First Declara- Last Account
Dealings ions Dealings Day
Apr 11 Apr 10 Apr 11 Apr 21

Equities continue to drift lower
Argyll sells Guinness shares

London equity markets were again looking rather jaded yesterday. Overnight firmness on Wall Street... Argyle Group placed in from 5.30 am two business days earlier.

ing today's preliminary results. Elsewhere, Guinness Peat touched a peak of 102p before closing higher at 99p on speculative buying fuelled by US stake build-up rumours.

FINANCIAL TIMES STOCK INDICES

Table with columns for Apr 21, Apr 22, Apr 23, Apr 17, Apr 16, Apr 15, Apr 14, Apr 13, Apr 12, Apr 11, Apr 10, Apr 9, Apr 8, Apr 7, Apr 6, Apr 5, Apr 4, Apr 3, Apr 2, Apr 1, 1986. Rows include Government Secs, Fixed Interest, Ordinary, Ord. Div. Yield, P/E Ratio, Total Share Buy-Ins, Equity Turnover, Equity Bargains, Shares traded.

HIGHS AND LOWS

Table with columns for 1986, High, Low, 1985, High, Low, 1984, High, Low. Rows include Govt. Secs, Fixed Int., Ordinary, Gold Mines.

S.E. ACTIVITY

Table with columns for 1986, High, Low, 1985, High, Low, 1984, High, Low. Rows include Govt. Secs, Fixed Int., Ordinary, Gold Mines.

Rank Organisation lost 23 to 530p following a profits downgrade by de Zoete and Bevan. Glaxo, meanwhile, remained out of favour and dropped 4 more to 110.

Motor Distributors made fresh progress amid hopes of further rationalisation within the sector. C. D. Bramall, scheduled to reveal preliminary results today, put on 13 to 300p.

Properties were among the day's best performers on interest-rate hopes and takeover speculation. Bid favourites MEPC and Stock Conversion were both well to the fore.

EQUITIES

Elsewhere, Country Gentlemen's Association gained \$ to 110, after 110, following reports of an unsuccessful attempt by bidders Bestwood to raise its stake to 14.9 per cent.

FIXED INTEREST STOCKS

Leading oils made modest progress following the conclusion of the OPEC meeting in Geneva. Shell helped by domestic US support, moved up 18 to 770p.

RIGHTS OFFERS

Table with columns for Issue Price, Latest Return Date, 1986 High, Low, Stock, % Change.

NEW HIGHS AND LOWS FOR 1986

Table with columns for British Funds, American Funds, Commonwealth and African, Canadian, European, Japanese, Other.

TRADITIONAL OPTIONS

Table with columns for Stock, Calls, Puts, % Change.

RECENT ISSUES

Table with columns for Issue Price, Latest Return Date, 1986 High, Low, Stock, % Change.

RIGHTS OFFERS

Table with columns for Issue Price, Latest Return Date, 1986 High, Low, Stock, % Change.

RISERS AND FALLS

Table with columns for Stock, % Change.

YESTERDAY

Table with columns for Stock, % Change.

LONDON TRADED OPTIONS

Table with columns for Option, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

OPTION

Table with columns for Option, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

OPTION

Table with columns for Option, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

OPTION

Table with columns for Option, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

OPTION

Table with columns for Option, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

St. Chartered lower
Standard Chartered fell 28 to 890p, after 897p, following a Press suggestion that a successful bid from Lords would hit the latter's US credit rating.

Stores subdued
Leading Stores gave ground across the board, albeit in exchange for a rise in takeover investment confidence was unsettled by the contradictory nature of the provisional retail sales for March.

from Capital and Counties, rallied to 200p, a net fall of 8p. The absence of takeover developments left Martin Ford another 11p cheaper at 85p, but Blacks Leisure, depressed on Monday following adverse comment in the weekend Press, rallied 1 1/2 to 11p.

couple of pence dearer at 156p. Pleasney hardened 2 1/2 to 224p. GEC softened that much at 194p.

Food Retailers displayed a couple of bright features. ASDA-MFI attracted speculative support and firmed 6 to 160p, while old takeover favourite Billards gained 13 more to 238p on speculation about a bid from either J. Galsworthy or Safeway.

Motor Distributors made fresh progress amid hopes of further rationalisation within the sector. C. D. Bramall, scheduled to reveal preliminary results today, put on 13 to 300p.

Properties were among the day's best performers on interest-rate hopes and takeover speculation. Bid favourites MEPC and Stock Conversion were both well to the fore.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Tues April 22 1986, Index No., Day's % Change, Est. Earnings Yield, Gross Div. Yield, P/E Ratio, 12 mtd. Div. Yield, 1986 Index No., 1985 Index No., 1984 Index No., 1983 Index No., 1982 Index No., 1981 Index No., 1980 Index No., 1979 Index No., 1978 Index No., 1977 Index No., 1976 Index No., 1975 Index No., 1974 Index No., 1973 Index No., 1972 Index No., 1971 Index No., 1970 Index No., FT-SE 100 SHARE INDEX.

FIXED INTEREST

Table with columns for PRICE INDICES, British Government, Medium Corporate, High Corporate, Inflation-Linked, Overseas, All Stocks, Preference.

YESTERDAY'S ACTIVE STOCKS

Table with columns for Stock, Closing, Day's % Change.

MONDAY'S ACTIVE STOCKS

Table with columns for Stock, No. of Shares, Mon. % Change, Day's % Change.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., May, Last, Aug., Last, Nov., Last, Stock.

*Closing index 1673.9; 10 am 1673.4; Noon 1665.7; 1 pm 1661.0; 2 pm 1659.7; 3 pm 1665.4; 3.30 pm 1665.0; 4 pm 1664.7



WORLD STOCK MARKETS

Table of world stock markets including sections for Austria, Germany, Norway, Australia, Japan, Canada, Denmark, Italy, Netherlands, and South Africa. Each section lists various stocks with their prices and changes.

Liberal peppering of results adds spice

Continued from Page 44
Thyssen both lost ground despite winning a Soviet-order for 30,000 tonnes of gas pipe. The former shed DM 2.80 to DM 257 and the latter slipped DM 2.50 to DM 183.50.

CANADA

Table of Canadian stock markets including Toronto and Montreal. Lists various stocks with prices and changes.

Indices

Table of various stock indices including Dow Jones, Nikkei, and others, showing their values and percentage changes.



Wall Street, Montgomery Street, Threadneedle Street: all on the same wavelength. Now that the Financial Times is printed in the U.S. and available in major business centers at the start of each day...

FINANCIAL TIMES Because we live in financial times.

Table titled 'LONDON Chief price changes' showing price movements for various stocks like Shell, BP, and others.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER. Staying in ISTANBUL? Complimentary copies of the Financial Times are now available to guests staying at the following hotels in Istanbul: DIVAN - HILTON - SHERATON

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Prices at 2pm, April 22

Main table of stock prices with columns for 12 Month High/Low, Stock Name, Div, Yld, P/E, and various price points.

Continued on Page 43

هكزا من الادل

NYSE COMPOSITE PRICES

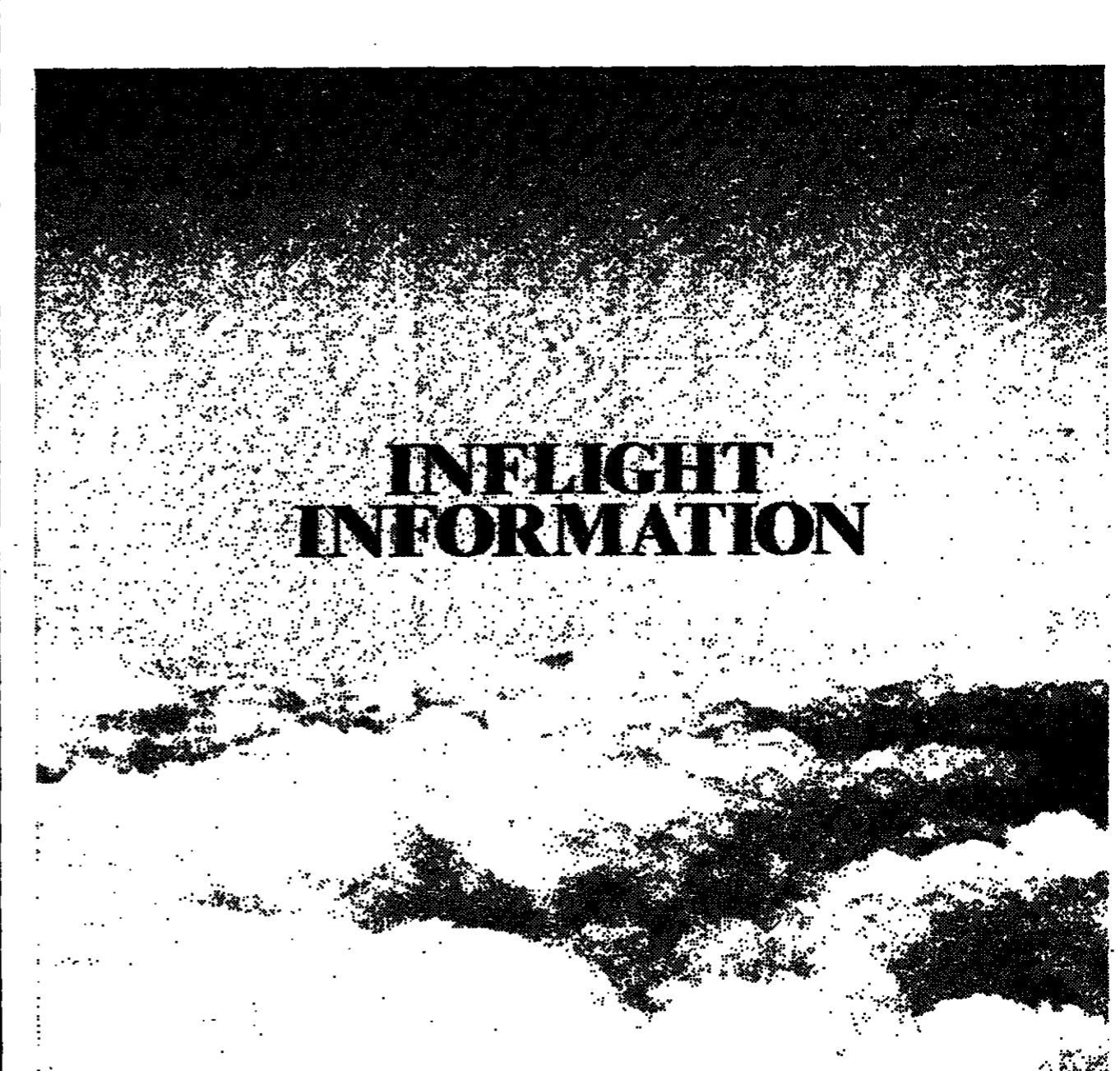
AMEX COMPOSITE PRICES

Prices at 2pm, April 22

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, and change.

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, and change.

WE REGRET that this listing is incomplete due to computer problems.



INFLIGHT INFORMATION

On behalf of all those business travellers who use their flying time profitably, the Financial Times would like to say thank you to the following airlines for carrying copies all over the world!
Aerolineas Argentinas, Air Afrique, Air Algérie, Air Canada, Air Europe, Air France, Air India, Air Lanka, Aer Lingus, Air New Zealand, Air UK, Air Zimbabwe, Alia Royal Jordanian Airlines, Alitalia, American Airlines, Austrian Airlines, Bangladesh Biman, Birmingham Executive, British Airways, British Caledonian, British Midland Airways, British West Indian, Brymon Airways, Canadian Pacific Air, Cathay Pacific, Continental, Crossair, Cyprus Airways, Dan-Air, Delta Air Lines, Eastern, Egyptian, El Al, Ethiopian Airlines, Finnair, Ghana Airways, Gib Air, Gulf Air, Iberia, Iceland Air, JAT Yugoslav Airlines, Japan Air Lines, Kenya Airways, Kuwait Airways, KLM, Lufthansa, Luxair, Maersk, Malaysian Airlines, Middle East Airlines, Northwest Orient Airlines, Olympic Airways, Pakistan Airlines, Pan American World Airways, Peoples Express, Philippine Airlines, Qantas, Royal Air Maroc, Scandinavian Airlines System, Sabena, Saudi Arabian Airlines, Singapore Airlines, South African Airways, Swissair, TAAG Angola Airlines, TAP Air Portugal, TWA, Thai Airways International, Tower Air, UTA, Varig Airlines, Viava, Virgin Atlantic, World Airways, Zambia Airways.

Feel free to ask for your Financial Times.

For morning delivery of the FT in major business centers coast-to-coast, call 212-752-4500.

Hand delivery to home or office is available in Atlanta, Boston, Chicago, Dallas, Detroit, Miami, Minneapolis, Houston, Los Angeles, New York, Philadelphia, Pittsburgh, Seattle, San Francisco, Washington, Montreal, Ottawa, Toronto, Vancouver. Please call for details between 9am-6pm New York Time.

FINANCIAL TIMES

Because we live in financial times.

For an increasing number of decision-makers worldwide, the best possible start to the business day is the Financial Times. The earlier it is in your hands, the greater value it is to you as a working document. Now the Financial Times has a hand delivery service in:

GHENT
So you can start your business day with the finest international news briefing in the world. For further information please contact Philippe de Normann d'Audenhovde, Tel: 02/513.28.16.

For an increasing number of decision-makers worldwide, the best possible start to the business day is the Financial Times. The earlier it is in your hands, the greater value it is to you as a working document. Now the Financial Times has a hand delivery service in:

BRUSSELS
So you can start your business day with the finest international news briefing in the world. For further information please contact Philippe de Normann d'Audenhovde, Tel: 02/513.28.16.

